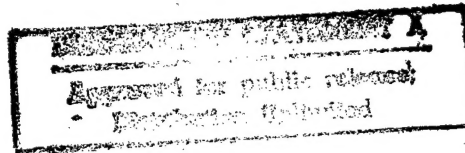


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Korean Affairs Report

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6 November 1985

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INTER-KOREAN AFFAIRS

VNS DENOUNCES SHULTZ REMARKS ON KOREA AT UN

SK270411 (Clandestine) Voice of National Salvation in Korean to South Korea
1000 GMT 25 Sep 85

[Station commentary]

[Text] In this hour, we will talk about the absurd remarks made by Shultz, U.S. secretary of state, at the 40th UN General Assembly session. On 24 September, at the 40th UN General Assembly, Shultz made idle talk with regard to the Korean peninsula question. He babbled that simultaneous UN entry by North and South Korea in accordance with the principle of their universality would help reduce tension on the Korean peninsula. Earlier, Prime Minister No Sin-yong too had said that he would clarify South Korea's will to enter UN organization.

Shultz' remarks on North and South Korea's simultaneous UN entry and No Sin-yong's remarks on South Korea's separated UN entry UN alike are very dangerous, antinational, antipeace, and antireunification remarks which will perpetuate the current division of the Korean peninsula and further aggravate tension there.

Today, on the Korean peninsula, Red Cross talks, economic talks, and preliminary contacts for parliamentary talks are being held between North and South Korea. On 20 September, the home-visiting groups and art troupes of North and South Korea mutually visited Seoul and Pyongyang, crossing the barrier of division which had blocked the North and South for 40 years. These multifaceted talks are aimed at recovering the national ties severed by the country's division, at achieving national reconciliation through the improvement and development of North-South relations, and, thus, at establishing a stepstone for national reunification.

Nevertheless, such absurd remarks by Shultz and the Chon Tu-hwan ring which run counter to such an atmosphere of dialogue reveal in themselves their true colors as splittists.

Of course, the United States and the Chon Tu-hwan ring are splittists who have sought only a permanent division of our country with no interest in the country's reunification. Therefore, it is only too obvious that these splittists are not interested in the current multifaceted dialogue and contacts between the North and the South.

In his address at the UN General Assembly, Shultz said that North and South Korea's simultaneous UN entry would help alleviate tension on the Korean peninsula, thus revealing his splittist ballad. It has already been laid bare to the world that the so-called simultaneous UN entry of North and South Korea as well as a separate entry of South Korea to the international organization is a result of the criminal plot of the United States to perpetuate the division of our country and to fabricate two Koreas.

How can the division of a single nation and country, which should form a single national state, into two, help alleviate tension and achieve reunification?

The clamoring by the U.S. authorities and the Chon Tu-hwan ring about simultaneous or separate UN entry is not for the alleviation of tension on the Korean peninsula or for the country's reunification in particular. It is aimed at fabricating two Koreas by making the present division on the Korean peninsula an established fact internationally and at continuously maintaining their colonial ruling system by fixing the present state of division of the Korean peninsula.

The present tension on the Korean peninsula and the threat of peace there are not because both sides of the North and the South or one side of them have failed to enter the United Nations, but because the country has been divided into two and both have been confronted against each other militarily. This is why the North has proposed, since long ago, for holding tripartite talks among the North, the United States, and South Korea and North-South parliamentary talks to replace the Armistice Agreement with a solid peace agreement and to resolve the present military confrontation between the North and the South in efforts to alleviate tension and maintain peace on the Korean peninsula, and thus to create a peaceful situation favorable for resolving the reunification question.

Now is not the time to hasten to enter the United Nations but the time to concentrate all possible efforts on improving and developing North-South relations by progressing North-South dialogue and contacts. While disregarding this and kicking off rackets, which run counter to the atmosphere of dialogue, by coming up with farfetched and preposterous proposals at the international organization is an intolerable challenge to the masses at home and abroad who want peace on the Korean peninsula and its peaceful reunification.

The U.S. aggressors should renounce their anachronistic wild ambition for aggression against the Korean peninsula by creating two Koreas and [word indistinct] draw from this land without delay. Along with this, the Chon Tu-hwan ring should renounce its foolish delusion to maintain its dirty life under the protection of its U.S. bosses and immediately step down from power as unanimously called for by the masses at home and abroad.

CSO: 4110/001

INTER-KOREAN AFFAIRS

DAILY ON NORTH'S EFFORT FOR SEPARATED FAMILIES

SK240852 Pyongyang Domestic Service in Korean 2337 GMT 21 Sep 85

[Unattributed talk: "Our Efforts To Alleviate the Sufferings of the Separated Families and Relatives"]

[Text] The great leader Comrade Kim Il-song has taught: When the road of free travel between the North and South is opened, the families and relatives living separated in the North and South can communicate with each other, locate their separated blood relatives, and reunite with each other.

For our people, who have suffered from the national division for 40 years, the issue of realizing the pressing aspirations of the separated families and relatives, one of the most important humanitarian works, and a task that cannot be postponed even for a moment, has emerged as a pressing national task to eliminate the tragedy of division.

Motivated by such a task, our party and the government of the republic have repeatedly put forward just and fair proposals for an independent and peaceful reunification of the country from the day the country was divided. Also, motivated by warm compatriotic love and a humanitarian stand, they have taken, at every opportunity, steps to alleviate as much as possible the sufferings and misfortune of the fellow countrymen separated in the North and South even before the country is reunified, and then made every possible effort to realize these steps.

In particular, based on the policies put forward by the great leader Comrade Kim Il-song in his speech on 6 August 1971, contacts and negotiations started between the North and South from the month of August of that year and preliminary meetings of the Red Cross organizations of the North and South were convened. In addition, on 30 August 1972, the first round of North-South Red Cross talks was held in Pyongyang amid great expectations and the interest of the entire people of the country.

At this first round of the North-South Red Cross talks, the two sides agreed to discuss five agenda items: First, finding out the addresses of the separated families and relatives, and whether they are alive or dead, and informing the separated families relatives of such findings; second, realizing free visits and free reunions for the separated families and relatives; third,

realizing free communications between the separated families and relatives; fourth, reuniting the separated families according to their free will; and fifth, discussing other miscellaneous issues that should be resolved in a humanitarian way.

The two sides also agreed to make every possible effort to lighten the sufferings of the separated fellow countrymen at an early date and, going one step further, to serve as a stepping-stone for national reunification by successfully discussing and resolving the North-South Joint Statement containing the three principles for national reunification--independence, peaceful reunification, and grand national unity--and all the issues adopted as agenda items to be discussed at the North-South Red Cross talks on the basis of the humanitarian principle of the Red Cross.

The issues agreed upon at the first round of the North-South Red Cross talks are the most just agenda items advanced out of the national aspirations and the concrete reality of the country, as well as reasonable ones that have correctly reflected the will of the separated fellow countrymen.

If and when the agenda items agreed upon at the full-fledged round of talks are successfully discussed and realized, not only will they alleviate much of the sufferings of the fellow countrymen caused by the division, but they will also give great joy, indeed, to all the people in the country.

In fact, when the separated families and relatives find out the addresses of the other separated families and relatives, and whether or not they are alive, they will be able to freely visit each other, have reunions, and reunite with each other. Thus, the joy of our people, who are suffering from the division, will be indescribably great.

For this reason, all the people in the country welcomed, with great happiness, the holding of the North-South Red Cross talks, and ardently hoped that the talks would effectively progress toward success at an early date.

The North-South Red Cross talks, held many times in Pyongyang and Seoul, were suspended after the seventh round while issues related to the first agenda item were being discussed. The suspension resulted from the South side's insincere attitude of laying artificial obstacles to the Red Cross talks.

Even after this, out of consideration to alleviate the sufferings of the separated families and relatives, we have made every possible effort to resume the North-South Red Cross talks. In particular, in the wake of the realization of our compatriotic relief measure for the South Korean flood victims last year, a door in the wall that has kept the North and South closed to each other for so long has been opened, and, with this, an atmosphere of contacts and dialogue has been created.

Taking advantage of the creation of a good atmosphere, we put forward a proposal for North-South economic talks and for the resumption of the Red Cross talks as well. In this way, the North-South Red Cross talks, which had been halted for 12 years, were resumed.

At the eighth round of the North-South Red Cross talks, held last May, we proposed to the South side the issue of discussing the five agenda items, which had already been agreed upon between the two sides, as a package, and the issue of realizing the free travel of the separated families and relatives, the most pressing and central issue in comprehensively resolving the five agenda items. Our new proposal for discussing the five agenda items as a package and for assuming the free travel of the separated families and relatives as the basic issue is a positive proposal that enables the realization of the pressing aspirations of the entire fellow countrymen and, in particular, the families and relatives separated in the North and South, in the quickest way.

The countless families and relatives who were separated in the North and South against their will are longing for the day when they will be able to freely come and go in their own country and lands and unbothered by their sufferings to the separated families and relatives when they are reunited. They hope to see this day before they die.

Now, if the agenda items are to be discussed one at a time in compliance with the order assigned them, as in the past talks, not only will this consume an infinite amount of time, but it will also be impossible to discuss another item if the talks bog down on one particular agenda item. Therefore, discussing the items one by one will only consume time and will never make it possible to realize the pressing aspirations of the separated fellow countrymen. Such being the case, discussing the five agenda items as a package, instead of discussing them in the old-fashioned way of the past, is a practical way to solve all the issues that have been previously agreed upon at an early date and to alleviate the sufferings of the separated fellow countrymen quickly.

Because our new proposal is the most positive and enterprising, as it is filled with singleminded patriotic consideration and humanitarian spirit, even the South Korean side expressed the opinion that it agrees in principle with our proposal. Ever since the eighth round of the Red Cross talks, we have made every effort possible for the successful progress of the Red Cross talks and for the successful realization of the sacred common cause of humanitarianism. As a result, at the third working-level contact between the Red Cross delegates of the North and South, the two sides agreed on mutual visits to Pyongyang and Seoul, from 20 to 23 September, by the Red Cross art troupes and home-visiting groups headed by the responsible functionaries of the Red Cross organization of the North and South. The two sides reaffirmed this issue at the ninth round of the North-South Red Cross talks.

In accordance with this agreement, the Red Cross art troupes and home-visiting groups are now on visits to Pyongyang and Seoul, the first such visits ever to take place in 40 years.

This shows the justness of our proposal advanced for the alleviation of the sufferings of the separated fellow countrymen.

We will do whatever is possible to lighten the sufferings of the separated families and relatives by leading the Red Cross talks to success.

CSO: 4110/001

INTER-KOREAN AFFAIRS

DAILY URGES ENTRY INTO UN AFTER REUNIFICATION

SK250302 Pyongyang Domestic Service in Korean 0844 GMT 24 Sep 85

[NODONG SINMUN 24 September commentary: "UN Membership Must Be Sought After Reunification"]

[Text] It has been learned that the South Korean prime minister will deliver a speech concerning the Korea issue at the UN General Assembly in October and express South Korea's will to enter the United Nations.

Reports from Seoul note that such a change in direction from the previous simultaneous entry plan to the unilateral entry plan is aimed at checking the North in international society and taking the initiative.

South Korea's entry into the United Nations is a question which has been discussed since 10 years ago when the simultaneous entry of the North and the South was put forth. Thus, there cannot be a new change in direction.

This is a mere attempt of single entry because the simultaneous entry seems impossible. The question is not whether or not this is a change in direction, but is the fact that South Korea is maneuvering to make the issue of entry into the United Nations a means for confrontation with us in the international arena.

At present, the Red Cross and economic talks are in progress between the North and the South and parliamentary talks are scheduled to take place. These talks were conceived to recover the North-South ties that were severed by division, to improve and develop the relations between the two sides, and to promote national harmony.

The fact that one is holding talks to improve relations and pursuing confrontation behind the scenes cannot be consistent with the spirit for dialogue.

South Korea propagandized that the entry into the United Nations is a method for easing tension in Korea, for consolidating peace, and for accelerating national reunification.

The tension of the Korean peninsula are being caused by the division of the nation. The separate entry of the North and the South into the United Nations

or the entry of only one side means moving the divided North-South relations into the international arena. This will only result in expanding tensions to the international scale.

South Korea is attempting to make entry into the United Nations a means for confrontation with us. Under such circumstances, it is clear that this can neither be a means for easing tensions nor a method for accelerating reunification.

From the beginning, the entry of the North and the South into the United Nations has been a trump card of the United States designed to legalize Korea's division in the name of the United Nations and to create two Koreas by having this plan recognized internationally. Because of the splittist contents that are consistent neither with the nation's aspiration nor the demand of the times, the plan for entry into the United Nations was expelled from the United Nations a long time ago, being opposed by the members of the United Nations and rejected by public opinion.

The result will be nothing new, even if South Korea puts forth a plan for unilateral entry which is a replica of the plan of simultaneous entry.

It has also been learned that South Korea will request Japan's cooperation in order to achieve its bid for unilateral entry. Report note that behind-the-scenes contacts began already between South Korea and Japan in connection with this issue.

The Korea question is an internal problem of the nation which should be resolved by negotiations between the North and the South. It goes without saying that third persons should not interfere in this issue.

The fact that one goes around the outside world with an internal matter and to abuse it by pursuing confrontation between the North and the South in the using the name of the United Nations is a flunkeyist way of thinking and is inconsistent even with the charter of the United Nations which respects national independence and sovereignty.

Tension has been created on the Korean peninsula and peace is being threatened not because the two sides of the North and the South or any one side did not enter the United Nations, but because the nation is being divided and the North and the South are being militarily confronted with each other. In order to ease tension in Korea and maintain peace and to pioneer a peaceful phase for the resolution of the reunification question, we should turn the Korean Armistice into a solid peace and remove the military confrontation between the North and the South.

The tripartite talks between ourselves, the United States, and South Korea and the North-South parliamentary talks advanced by us are aimed at resolving this urgent question. South Korea's attempt to realize unilateral entry by depending on outside forces, ignoring the solution of this basic question, is an anachronistic idea.

North-South relations cannot be resolved by depending on outside forces. As long as the North and the South are divided, any one part should not enter the United Nations. If one wants to enter the United Nations, one should enter there as one state after the nation is reunified.

Only when we enter after reunification, can we prevent the division, glorify the dignity and honor of a single people, and contribute to peace in the world. It is now time to seek a broad dialogue between the North and the South instead of seeking the entry into the United Nations. Thus, we should concentrate our strength on improving and developing the relations between the two sides.

If the North and the South stop pursuing antagonism and confrontate for national interests and pool their strength to transcend the ideologies and systems, we can relax tension, maintain peace, and pioneer the peaceful phase of solving the reunification question.

CSO: 4110/001

INTER-KOREAN AFFAIRS

RADIO CONDEMNS ANTI-NORTH 'SLANDEROUS PROPAGANDA' IN SOUTH

SK280514 Pyongyang Domestic Service in Korean 0039 GMT 26 Sep 85

[Commentary by station commentator: "What Do They Aim At by the Slandorous Propaganda?"]

[Text] Recently, South Korea has been running amok with slanderous propaganda defaming our socialist system by mobilizing all the government-patronized propagandistic mass media.

In particular, some reporters who came to Pyongyang accompanying the South side's art troupe and home-visiting group unhesitatingly carried out various slanders and smears defaming us by holding so-called round-table talks for television.

Their utterances, all in all, are slanders and defamation carried out by those who first said that what they saw was good and then overturned their remarks after returning home.

A returning home.

A reporter who made every absurd remark during the round-table talks said to us, in front of the People's Palace of Culture on the evening of 20 September, when he arrived in Pyongyang, that the streets in Pyongyang, including the Changgwang Street, were incomparable with those shown in pictures, or with the scenes that were taken by his side's reporters during the Ninth North-South Red Cross talks and later televised. He seemed to be struck with admiration for what he had seen, saying that they surpassed his imagination.

However, the remarks he made after returned home were quite the opposite.

The reporters staged such false dramas in other (places?) changing white to black. Filled with admiration for the grandeur and splendor of the buildings and for the high standard of the facilities while touring many places, including the Pyongyang maternity hospital, a reporter of the South side said: I could not but rejoice, as soon as I arrived in Kaesong, at the fact that the compatriots in the North, including the citizens of Pyongyang, all looked healthy and bright and their attire was of high standard. Indeed, this was a confession of his true feelings toward the solemn realities.

However, appearing on television as soon as he returned to Seoul, he made every absurd remark viciously slandering and smearing us. He said pleasing words to another's face and then returned to uttering invectives back home, overturning the truth. How can we eliminate misunderstanding and distrust, push ahead with dialogue, and advance to reunification?

If one commits such an act against other people, one will be denounced for one's unreasonable act. It is a tragedy for the same people living in the same land, sharing the same blood, to have to live separately. How can one, being of the same people, carry out such slanders and smears against one's own people? Why is this necessary?

The slanderous smear propaganda frantically perpetrated by the South side's reporters is not aimed merely at overturning the truth. Their true purpose is to incite a sense of anti-communist confrontation among the South Korean people, whose knowledge of the North is not deep, through a vicious slanderous offensive against the socialist system of our republic. This propaganda is also aimed at advocating permanent division by further heightening the barriers of distrust and bringing the dialogue to rupture.

However, such an act is nothing but a foolish frenzy. No one can conceal, with any false fabrication, the brilliant realities of the northern half of the republic, which are based on the essential superiority of the socialist system. The South side's act is as foolish as attempting to block the sunshine with one's hands.

The South Korean reporters should report things by assuming the proper attitude as reporters based on the position of the Korean people, instead of becoming fanatics for false fabrication under pressure from the power of the authorities.

CSO: 4110/001

INTER-KOREAN AFFAIRS

RED CROSS GROUP MEMBER COMMENTS ON SEOUL VISIT

SK271347 Pyongyang Domestic Service in Korean 0130 GMT 27 Sep 85

[Talk by Hong Yon-ku, a member of the Red Cross home-visiting group who visited Seoul 20-23 September: "Seoul Alienated From the People"]

[Text] While 20 members of the home-visiting group could not meet their families and relatives because of the insincere attitude of the South side in the course of our visit to Seoul, I was fortunate to meet my flesh and blood. As it was a reunion with my brothers from the first time in 35 years, I had many things to hear and ask about. However, I came back without hearing a word filled with true feelings.

At first, I asked them various questions, hoping to hear the words that would relieve me of the smoldering feeling in my heart, but I did not hear a candid reply. My brothers were restless, frequently glancing at the men wearing the insignia of a guide. Therefore, I asked them where and how they lived, thinking that they would be able to talk about their life. Yet, my eldest brother could not say a word. He only stared at me. When I turned to my other older brother, he dropped his head, avoiding my eyes.

It was apparent that they were in such a position that they could not even talk to their younger brother about their living conditions. I thought that further questions would aggravate the pain in the hearts of my brothers living in destitution. Therefore, I stopped asking.

The Seoul that I saw was no exception. Seoul was, just as I was told, a society in which there is a big gap between the rich and the poor. The South side led us around the streets where it said it had built something, but all we could see were the slums clustered on hills. There were some trees in the so-called luxurious housing area, but there were no trees along the streets.

We crossed the Han River bridge, but the Han River which runs through Seoul lacked not only a riverside walk but also proper banking. There were many holes in the riverside where someone had dug something out.

There were neither green areas nor parks. We found something like a park in the so-called Natural Farmland to which they brought us, but it was nearly 100 ri from Seoul. How can poor people go there? I could readily feel that the South Korean ruling gang knows only how to oppress and extort the people with guns and bayonets. Because of them, Seoul has become alienated from the people. This is the Seoul that I have seen.

INTER-KOREAN AFFAIRS

CLANDESTINE VIEWS CHON'S ORDER TO CHECK VISIT IMPACT

SK280725 (Clandestine) Voice of National Salvation in Korean to South Korea
1000 GMT 27 Sep 85

[Text] It is known that traitor Chon Tu-hwan summoned the director of the Agency for National Security Planning, the home minister, the culture-information minister, and the education minister on 26 September and issued special instructions to hinder the effects of the exchange of North and South visiting groups. Chon Tu-hwan told them that the people's ardent aspiration for reunification has increased more than ever as a result of the exchange of the North and South Korean visiting groups and stressed that this will unfavorably influence the 1988 Olympics.

He then issued a four-item special instruction aimed at reducing the unfavorable effects of the North and South exchange of visiting groups as follows: First, steps should be taken to thoroughly block the members of the group who have visited the North from telling the truth about the North. Second, the scenes of the home-visiting groups' family reunion, which would cause serious impact on the 10 million displaced families, should not be broadcast on television more than necessary and surveillance on these people should be intensified. Third, care should be taken to prevent college students, who are sensitive to political developments from arguing reunification issues and anticommunist education should be intensified for the students. Fourth, all mass media should be utilized for slanderous propaganda against the North.

CSO: 4110/001

INTER-KOREAN AFFAIRS

CPRF REPROVES SOUTH'S SUPPRESSION OF LAWMAKERS

South's Suppression of Students

SK230532 Pyongyang Domestic Service in Korean 0500 GMT 21 Sep 85

[Information No 334 issued by the Secretariat of the CPRF in Pyongyang on 21 September--read by announcer]

[Text] A murderous and terror-stricken atmosphere, not befitting national harmony and unity, is being created in South Korea. It is due as much to the suppression directed at youths and students as it is to the tyrannical, fascist violence being committed against personages in all walks of life.

According to news reports broadcast in Seoul, on 14 September the fascist South Korean clique booked 13 off-stage personages on the criminal charge of being involved in the grand pan-national debate held at Korea University. After playing the game of investigation, it transferred the case to the puppet Seoul District Prosecutor's Office and then on the afternoon of 17 September took the off-stage personages, including New Democratic Korea Party [NKDP] assemblymen Pak Chan-chong and Cho Sun-hyong, spokesman for the Council for the Promotion of Democracy [CPD] Han Kwan-ok, and CPD deputy secretary general Kim Pyong-o, from either their offices or the streets. Later, the fascist clique committed such tyrannical acts as interrogating them through out the night.

As for the personages forcefully taken by the fascist clique, they are the ones who are conducting political activities that come natural to them as politicians. This being the case, their act of going to and participating in the grand pan-national debate at the invitation of the students cannot be regarded as a criminal act.

Referring to this in a statement, the NKDP denounced the fascist clique's suppression of these personages on the grounds that they instigated student unrest, calling it a measure for restricting the assemblymen's political activities. Even the off-stage personages unanimously asserted that the writ of summons issued by the puppet Prosecutor's Office is in itself illegal and that the investigative procedures adopted by the Prosecutor's Office were unjust as well.

This notwithstanding, the fascist clique handed over these off-stage personages to the prosecuting institutions after charging them with violating the assembly and demonstration laws, babbling that they had instigated student demonstrations where the students created unrest. The fascist clique is now oppressing them after forcefully taking them at a broad crossroad in broad daylight. This is a brazen political retaliation against the off-stage personages who support the righteous deeds of the students, including the struggle to seize the American Cultural Center in Seoul, and an outrageous, fascist act that even pales the international gangster acts by the Yusin dictator who illegally kidnapped the democratic personage Kim Tae-chung from downtown Tokyo in a broad daylight.

The unlawful fascist violence of indiscriminately knifing anybody whom it consider to be invidious, regardless of whether he is a youth, student, worker, intellectual, or incumbent assemblyman, not only clearly shows the true picture of South Korea, which has been turned into a desolate graveyard of democracy, but also brings out the terminal symptom of a dictator.

Without exception, the successive South Korean rulers met their shameful doomsday after dedicating themselves to fascist knife-wielding, which runs counter to independence, democracy, and reunification.

If the fascist South Korean clique continues clinging to fascist suppression in defiance of a strong denunciation by the people at home and abroad, it will only result in further hastening its own doomsday.

[Dated] 21 September 1985

Pyongyang

Student Spy Ring

SK261250 (Clandestine) Voice of National Salvation in Korean to South Korea
1000 GMT 22 Sep 85

[Talk by Madame Yun Chong-won entitled: "Cease Suppression of the People at Home and Abroad" from the program "Our Assertion"]

[Text] The Chon Tu-hwan ring has stepped up its fascist suppression of patriotic students and people who have resolutely risen in the anti-U.S. struggle to achieve independence, democracy, and the country's reunification. Having learned that the United States manipulated all the murderous and barbarous acts committed in this land in the wake of the mass holocaust in Kwangju 5 years ago, our students have lit the flames of the anti-U.S. struggle for independence by organizing a Sammin Struggle Committee at each university under the control of the National Federation of Student Associations.

Extremely perplexed by this, toadyist traitors, including Chon Tu-hwan, have committed the fascist, despotic, and violent act of arresting and punishing en masse students who have been involved with the Sammin Struggle Committee,

describing this committee as an organization tolerating communism and benefitting the enemy. At the same time, the Chon Tu-hwan ring has been hell-bent on suppressing the people, distorting truth to the extent that the just struggle of workers, which has been waged in various forms, has been caused by the student's Sammin Struggle Committee.

The people's movement for democracy, the masses, and reunification was carried out ceaselessly before the emergence of the Sammin Struggle Committee. This struggle will continue as long as foreign forces exist in this land and as long as it is dominated by fascism. Ignoring this situation, the Chon Tu-hwan fascist ring is trying to link the righteous struggle of the patriotic people in various ways with the Sammin Struggle Committee. This shows that it is frantically running amok to strangle the Sammin Struggle Committee. Those students who have been involved with the Samin Struggle Committee have demanded the rejection of foreign forces, democratization and the liberation of the masses because the U.S. aggressors have posed in this land as masters and because the treacherous Chon Tu-hwan ring has strangled independence, democracy, and civil rights with bayonets under the stimulation of its masters. Because the splittists are trying to perpetuate the division of the people, the students have called for the overthrow of the present regime and demanded reunification. This just and patriotic act represents the desire of our people. This act does not constitute a crime. Instead of being suppressed, this act should naturally be praised. Nevertheless, by once again concocting a spy ring incident in which Overseas Korean students allegedly infiltrated campuses, the fascist Chon Tu-hwan ring has groundlessly picked a quarrel with us, saying that the Sammin Struggle Committee and patriotic students have been manipulated by an overseas students spy ring that has infiltrated campuses.

It is natural for overseas students to visit their home country. This is not infiltration. It is very natural for the students to call for the withdrawal of the U.S. aggressors after seeing sovereignty trampled underfoot by them, to demand democracy in a society that is plagued by fascism, and to call for liberating the masses when civil rights are violated in the era when the masses should play a central role. This is an act that can and should be committed by those who possess a national conscience. This act is by no means an espionage act. The act of demanding independent and democratic reunification should not be suppressed by being regarded as one benefitting the enemy and on the pretext that this demand is similar to that proposed by North Korea.

The Chon Tu-hwan ring's cunning intrigue and crime--its attempt to sacrifice patriotic students and workers for fascist tyranny--cannot be justified at all. The Chon Tu-hwan ring's stepping up of its bestial suppression of the terrorism against patriotic students and workers through the concoction of an incident in which a spy ring allegedly infiltrated campuses is a last-ditch maneuver to eradicate the root of their struggle for independence and democracy and to maintain and prolong at any cost their fascist regime that has faced a crisis. This is also an antipopular and treacherous act of pouring cold water on the desire of the people for reunification, which has increased with the passage of time with North-South dialogue for momentum, and of perpetuating division at any cost. No matter what conspiratorial method it may use to suppress the students, the Chon Tu-hwan clique will never be able to block the future path of the righteous students and the patriotic people who have already

embarked on the road of the anti-U.S. struggle for independence. The Chon Tu-hwan clique should behave discreetly, immediately stop its unpardonable and barbarous acts, and unconditionally and immediately release patriotic students and people from all walks of life who have been illegally arrested and imprisoned. Together all the people who demand independence, democracy, and reunification and who respect justice, our South Korean National Democratic Front will continuously and resolutely struggle to bitterly condemn the bestial suppression of the progressive and patriotic forces by the fascist manics, to oppose fascism, and to demand the release of those righteous students and workers who have been punished unjustly.

Prison Terms for USIS Occupiers

SK301138 (Clandestine) Voice of National Salvation in Korean to South Korea
1000 GMT on 27 Sep 85

[Statement issued by the spokesman for the South Korean National Democratic Front on 26 September--read by announcer]

[Text] On 25 September, the Chon Tu-hwan ring hauled Ham Un-kyon and other 19 students, who were involved in the sit-in at the USIS building and were protesting against a coercive trial, into the court of the Seoul District Criminal Court, and perpetrated the violent act unilaterally and arbitrarily demanding prison terms for them. This illegal act of the Chon Tu-hwan ring is a terrible dark trial, unprecedented in the history of the world's trials, and an intolerable fascist atrocity.

Those students who occupied the USIS building and staged the sit-in there are neither criminals nor objects for punishment.

From 23 to 26 May, patriotic students seized the USIS building in Seoul and staged a stout sit-in struggle, demanding an official meeting with the U.S. ambassador in South Korea and chanting such slogans as: "The United States Must Openly Apologize for the Kwangju Incident; The United States Must Get Out of the Country; The Chon Tu-hwan Regime Must Resign; and Overthrow Chon Tu-hwan. The sit-in struggle by the students was a deserving protest against the U.S. aggressors who have exercised a colonial fascist rule and have commanded such a bloody massacre as that in Kwangju, occupying this land for as long as 40 years. Because of its justness, their struggle by sit-in enjoyed great sympathy, support, and encouragement from public opinion at home and abroad and the masses of all walks of life and has been highly praised as a patriotic and brave act.

However, the treacherous Chon Tu-hwan clique bestially tortured and suppressed in an inhumane manner those patriotic students who had carried out a righteous act for national salvation, and demanded heavy prison terms for them through an illegal trial at the murderous court encircled by some 500 armed policemen and plainclothes men. This is a treacherous act which only the political rascals of the Chon Tu-hwa ring, turning their back on their fellow countrymen and maintaining their life by flattering foreign forces, can perpetrate.

Furthermore, the murderous clique, which slaughtered thousands of fellow countrymen, not only flogged those students, who resolutely turned to the road of resistance because they could not overlook the terrifying atrocity of the Kwangju massacre, but also brandished the National Security Law against them, babbling about so-called security despite the fact that it had no independent right. This is genuinely brazen.

The Chon Tu-hwan ring, [word indistinct] punished the students by branding as a leftist-leaning or pro-communist act their just act of trying to obtain an apology from the U.S. imperialists, the ringleader of the Kwangju massacre, in accordance with the opinions of the people demanding the truth about the Kwangju incident, is a group of fascist fanatics hell bent on anticommunism and a heinous nation-selling group which does not hesitate anything for the sake of the United States.

In the name of the masses, our South Korean National Democratic Front [SKNDF] strongly denounces the criminal act of strangling independence with aggression and punishing patriotism with treachery, declares invalid the illegal judgement on those involved in the sit-in at the USIS building in Seoul, and asserts as follows:

1. Ham Un-kyong, Kim Min-sok, Hong Song-yong, Choe Yon-ku, Chang Sung-in, Yi Chong-hun, Sin Chong-hun, Pak Chong-hwa, Yang Tong-kyu, Cho Song-hwan, Ku Cha-chun, Cho Kwang-ho, Yun Yong-son, O Kyong-chun, Yi Chi-son, Kim Yong-su, O Tae-hun, Choe Yong-kun, Yi Kang-paek, and Chon Chin-suk, who waged a sacred anti-U.S. and antifascist struggle for national salvation in response to the blood-boiling outcry of thousands of Kwangju souls, are not criminals. The illegal verdict against them must be completely reversed and they must be unconditionally released.
2. The United States is an occupier and dominator who has strangled the liberation and independence of South Korea since 15 August; has reduced this land to a barren land devoid of independence, democracy, and civil rights and an aggressive military base for a nuclear war; and is the ringleader and chieftain of the Kwangju massacre atrocity. South Korea cannot be a colony of the United States and the South Korean people cannot live as slaves who shed blood before the bayonet of Yankees. If they do not want to suffer the shameful results to be brought about by the grand anti-U.S. movement of our masses for national liberation under the banner of independence, the U.S. aggressors should officially apologize for all criminal acts, which they have perpetrated for 40 years, including the atrocity of the Kwangju massacre, and withdraw from this land.
3. The Chon Tu-hwan military regime, which was born thanks to the bloody bayonets of the United States, is a [word indistinct] and treacherous regime which maintains its life through murder and violent hostile to the people. The Chon Tu-hwan military clique inflicted harsh punishment on those students who occupied the USIS building and staged a sit-in there over the resentment of Kwangju, thereby adding another chapter of crime to their history of bloody crimes. The hatred and indignation of the popular masses against the incumbent military dictatorship are fiercely surging everywhere and the day when they

erupt will come before long. The Chon Tu-hwan regime must look straight at the fact that the historic time when an end is put to the U.S. imperialists' colonial and fascist rule is impending and immediately resign as demanded by the people before it is faced by a miserable fate.

Our SKNDF appeals to the masses and figures of all walks of life for recognizing that the fascist tyranny of the Chon Tu-hwan ring is part of its crafty plot to suppress the daily expanding and developing anti-U.S. and antifascist struggle for national salvation, for continuing to vigorously wage the movement for the release of the arrested men, and for more stoutly fighting for independence, democracy, and reunification.

26 September 1985, Seoul

CSO: 4110/001

INTER-KOREAN AFFAIRS

CPRF DENOUNCES CIVIL DEFENSE DRILL IN SOUTH

SK230207 Pyongyang Domestic Service in Korean 1500 GMT 19 Sep 85

[Information No 333 issued by the CPRF Secretariat in Pyongyang on 19 September--read by announcer]

[Text] War exercise rackets unbecoming to the atmosphere of dialogue and peaceful reunification are being constantly waged in South Korea, which is under the U.S. imperialists' occupation.

On 16 September, the Chon Tu-hwan puppet clique again staged a frenzied civil defense drill throughout South Korea at the U.S. imperialists' instigation. Thus, it fanned war fever by staging an exercise for actual defense of local areas, a blackout drill, and so forth, day and night.

Prior to this, the puppet clique waged a so-called specialty training for commanders of reserve forces by gathering company commanders of the reserve forces. On 12 September, it held a so-called seminar civil defense administration for government officials handling civil defense affairs. Thus, it instigated anti-communist confrontation and war fever.

This is a vicious challenge to North-South dialogue held amid the interest of the people at home and abroad and is a premeditated and undisguised maneuver aimed at creating artificial obstacles on the road of reunification by blocking the people's aspiration for independent reunification.

Today, North-South dialogue is being held on many topics. On the occasion of the mutual visits of art and home-visiting groups achieved between the North and the South for the first time in the 40-year history of the nation's division, the aspiration of all people for national reunification is being enhanced higher than ever before.

People at home and abroad ardently wish to see that the road of mutual visits of the art and home-visiting groups together with the North-South dialogue be connected to the road of reunification and the cause of national reunification, the greatest national desire be achieved.

Those who want to act in interest of the nation and the people and who want reunification would carry out rightful acts beneficial for reunification.

However, the South Korean puppets, running counter to the demand of the times and the aspiration of the people, are staging military rackets repeatedly and continuously.

When the North and the South agreed on the issue of mutual visits of art and home-visiting groups at the eighth round of the talks between the North and South Red Cross organizations, the South Korean puppets raved that the realization of this issue still remains to be seen and poured cold water over the result of the talks, slandering and defaming us. Even today when the mutual visits of the Red Cross art and home-visiting groups are being realized, they are instigating confrontation by staging war exercise rackets unbecoming to the atmosphere of national harmony, dialogue, and reunification. Why do they do this?

All facts clearly showed once again that the South Korean puppets are thorough splittists uninterested in dialogue and reunification.

No matter how frantically the South Korean puppets may inspire war fever and instigate confrontation, they can never block the people's aspiration for reunification. The Chon Tu-hwan clique should immediately stop reckless war exercise rackets and discontinue all the unjust acts blocking the aspiration for reunification.

[Dated] 19 September 1985, Pyongyang

CSO: 4110/001

INTER-KOREAN AFFAIRS

DPRK DAILY ON 'GOVERNMENT-SPONSORED' ANTICOMMUNIST MEETS IN SOUTH

SK110540 Pyongyang KCNA in English 0527 GMT 11 Sep 85

[Text] Pyongyang 11 September (KCNA) -- Minju Choson today comes out with a commentary lashing out at the anti-communist propaganda conducted by the South Korean puppets through "government"-sponsored "sports meet of people of the five northern provinces" and "prayer meeting" on September 8 and 9.

Pointing out that the criminal nature of the so called "sports meet" was brought into a bolder relief by the "address" of the puppet prime minister [word indistinct] the author of the commentary says:

He incited north-south confrontation, crying that "such festival will be held in your home towns some time." And he dug up the very dregs of his anti-communist propaganda, crying that communism was found "destroying the homogeneity of the nation" at the ninth round of the red cross talks in Pyongyang and urging the attendants to arm themselves with "steadfast anti-communist spirit" and take the lead in the propaganda of the "superiority of liberal democracy."

It is the height of sarcasm to hear the rhetoric of "homogeneity of the nation" from the puppets who, by their treacheries, have not only reduced South Korea to a colony and military base of the U.S. imperialists but also turned it into "my land inhabited by others" where the corrupt American way of life and Japanese fashion hold sway and the inherent national culture and beautiful customs and manners are trampled underfoot and obliterated.

It is widely known a fact that the ninth round of the north-south red cross talks ended without the discussion of the agenda, as the South Korean red cross delegation visiting Pyongyang to attend the talks walked out when it saw scenes of a mass gymnastic display of Pyongyang school boys and girls portraying Korean patriots who fought the Japanese imperialist aggressors for the liberation of the country.

Are those without a shred of national conscience entitled to talk about the "homogeneity of the nation?"

No one would be duped by the outcry for "liberal democracy" let out by those who have reduced South Korea to the worst area of human right violation in the world, where the sovereignty and the elementary democratic freedom of the nation

is totally violated and obliterated and who brutally suppress the people demanding independence, democracy and reunification.

All the facts prove that the puppets seek anti-communist confrontation, not national unity and reconciliation, and division, not reunification.

CSO: 4100/737

JPRS-KAR-85-071
6 November 1985

INTER-KOREAN AFFAIRS

REPORT MEETING MARKS DPRK ANNIVERSARY

SK080950 Pyongyang KCNA in English 0930 GMT 8 Sep 85

[Text] Pyongyang 8 Sep (KCNA) -- Vice-Premier Chong Chun-ki, alternate member of the political bureau of the central committee of the Workers' Party of Korea, on September 8 urged the South Korean side to seek progress in the dialogue and promote the improvement of the north-south relations and the cause of the reunification of the country with a correct stand and attitude toward the dialogue.

Reporting to the central meeting celebrating the 37th anniversary of the founding of the democratic People's Republic of Korea, he stressed what is important in successfully holding dialogue between the north and south is to have a correct stand and stance towards it and create a climate of trust.

The reporter said:

Contrary to the DPRK's stand for reunifying the country into one Korea, the South Korean side persistently clings to the "two Koreas" policy even at the dialogue and lays artificial obstacles in the way of the dialogue, avoiding the discussion of essential questions under this or that pretext.

It must not go unnoticed that it keeps bringing military equipment from the United States and is aggravating the tension, an act unfit for the atmosphere of reconciliation and unity, dialogue and reunification, while raising a massive row of "anti-communism" and "northward invasion."

This is an unpardonable criminal act of throwing a dark shadow over the north-south dialogue and pouring cold water on the people's desire for peaceful reunification and a deliberate and premeditated provocation for inciting anti-communist confrontation and war fever of northward invasion.

We urge the South Korean side to seek the progress of the dialogue through national reconciliation and unity and promote the improvement of the north-south relations and the cause of the reunification of the country, instead of aggravating the north-south relations and marrying the climate of dialogue by following the line of anti-communist confrontation.

CSO: 4100/737

INTER-KOREAN AFFAIRS

DPRK DAILY ON SOUTH VISIT OF JAPANESE AIR FORCE CHIEF OF STAFF

SK060634 Pyongyang KCNA in English 0525 GMT 6 Sep 85

[Text] Pyongyang 6 September (KCNA) -- Nodong Sinmun Friday points out that the South Korean tour of the air force chief of staff of the Japanese "self-defence forces" slated for late September is aimed to strengthen the military tieup with the South Korean puppets and hasten military integration.

A signed commentary of the paper headlined "for conspiracy in the sky" says:

This scheduled trip is causing anxiety among people as it follows the South Korean-Japan "regular ministerial conference" held in late August to weave a series of plots.

There is no doubt that during the South Korean tour of the air force chief of staff of the Japanese 'SDF' new plots, such as exchange between the air forces of the South Korean puppet [word indistinct] the Japanese "SDF" would be hatched. His trip is aimed at conspiracy not only on the ground and the sea but also in the sky.

This shows that the military tieup between the Japanese reactionaries and the South Korean puppets has reached a dangerous stage and Korean aggression by the ground, naval and air forces of the Japanese "SDF" has become a real problem.

The South Korea-Japan military tieup is an outcome of the U.S. imperialists' policy towards Asia and Korea and a part of the criminal moves of the U.S. imperialists hastening the formation of the United States-Japan-South Korea triangular military alliance.

The dangerous conspiracy between the South Korean puppets and the Japanese reactionaries is a criminal one for it [word indistinct] peace and security on the Korean peninsula and goes against the north-south dialogue. It is also a challenge to the South Korean people aspiring after independence and democracy in society.

Our people bitterly condemn the ever intensified military tieup between the Japanese reactionaries and the South Korean puppets.

CSO: 4100/737

INTER-KOREAN AFFAIRS

NODONG SINMUN ON SOUTH'S HYPOCRITICAL 'FIXATION OF PEACE'

SK051033 Pyongyang KCNA in English 1016 GMT 5 Sep 85

[Text] Pyongyang 5 September (KCNA) -- The "fixation of peace" on the lips of the Chon Tu-hwan group is a smoke shell for hoodwinking public opinion at home and abroad and concealing its treacherous acts in running wild in war preparations and a deceptive slogan for freezing the division and executing the "two Koreas" policy, while keeping the U.S. imperialist aggression forces in South Korea.

Nodong Sinmun today says this in an article denouncing the South Korean puppets for chanting a "peace" ballad, prattling that the "recurrence of war" should be prevented and "peace be fixed" on the Korean peninsula.

The paper further says:

The hypocritic nature of the "fixation of peace" advertised by the Chon Tu-hwan group is well illustrated by the fact that it is calling for "predominance in strength" and openly crying for "increase of combat power" and "building up of national strength" under the pretext of "deterrent to war."

The puppets plan to introduce into South Korea mass destruction weapons and military equipment amounting to 3,200 million dollars in the period of the "1982-1986 five-year plan for increasing combat power" of the puppet army and amounting to over 8,000 million dollars in the 1985-1989 period in a bid to reinforce the puppet armed forces and "modernize" their equipment.

They also stage war exercises against the north in South Korea almost every day.

Each time we proposed peace proposals, the South Korean puppets turned them down. This offers another evidence that their talk about "fixation of peace is a whopping lie for deceiving public opinion and a sham peace without any practical guarantee.

The Chon Tu-hwan group contends as if the "simultaneous entry of the north and the south into the United Nations" and "its separate entry into the United Nations" would consolidate "peace" in Korea.

This is the height of absurdity.

The puppets are loud-mouthed about "relaxation of tension" and "fixation of peace," calling for the "entry into the United Nations" which will result in freezing the division of the country, creating "two Koreas" and thus aggravating confrontation between the two sides and creating the root cause of war. This is, indeed, a despicable and crafty deceptive intrigue to veil their bellicose and splittist nature with a "peace" wrapping-cloth.

A reliable and durable peace can be preserved in Korea only when the U.S. imperialist aggression forces are withdrawn from South Korea, their colonial fascist rule is terminated and the independent and peaceful reunification of Korea achieved.

If the South Korean authorities truly want peace in the country and its peaceful reunification, they must give up the criminal row of "destroying communism" and war preparations against us and accede to our reasonable proposal for publishing a joint declaration of nonaggression at north-south parliamentary talks.

CSO: 4100/737

INTER-KOREAN AFFAIRS

NODONG SINMUN ON SOUTH PLANS TO SUBSIDIZE PRESS

SK050536 Pyongyang KCNA in English 0458 GMT 5 Sep 85

[Text] Pyongyang 5 Sep (KCNA) -- Nodong Sinmun today comments on the South Korean fascist clique's schemings to subsidize the press still further.

Recalling that the puppet minister of culture and information, speaking at a "ceremony marking radio day" held in Seoul on September 3, babbled that radio should "put stress on the strengthening of the system based on liberal democracy," the author of the commentary says:

Needless to say, this is aimed to more thoroughly subsidize the press organs including radio and thus reduce them to a maidservant prettifying the military fascist rule.

Getting overheated in speaking ill of the just struggle of students, crying about the "continued inclination of the campus to the left," the puppet blared that those engaged in radio broadcasting "should take the lead in the defence and development of the system."

This is a wanton challenge to the South Korean people's desire for independence, democracy and reunification.

The puppets are making desperate efforts to stifle the fighting spirit of students by intensifying the suppression at the point of the bayonet and, on the other hand, to thoroughly subsidize broadcasting and publications. In this way they seek to prevent the struggle of students from being known to people of various strata.

Piffing that north-south confrontation is "fatalistic," the puppet minister of culture and information made no scruple to say that counterpropaganda is necessary since the "introduction of the north's appearance may profit the north in propaganda and agitation."

This clearly shows why the delegates of the South Korean side who had returned to South Korea after visiting Pyongyang to attend the ninth round of the north-south red cross talks and reporters who had accompanied them propagandized distorted facts, prattling that there is no tall building or department store in Pyongyang and they were barred from meeting inhabitants and why only buildings constructed before the 1970's were screened on the TV.

No matter how desperately the puppets may conduct false propaganda, controlling the press, facts are bound to be informed as they are and the struggle of South Korean students and people against the present military fascist system will grow further still.

CSO: 4100/737

INTER-KOREAN AFFAIRS

BRIEFS

JAPANESE FIRMS UNPAID--Tokyo--Japanese business firms, which had not yet received payment in trade with North Korea, reportedly asked the Ministry of International Trade and Industry to supply export insurance funds in compensation. According to the November issue of the monthly KENDAI KOREA, published in Tokyo, the Japanese companies had not got money from North Korea for their goods for the past 10 years. If the Japanese ministry gives the funds to the business firms, the monthly magazine said, North Korea will be virtually in a declared "state of bankruptcy," and the Japanese firms will be no longer engaged in trade with North Korea. [Text] [Seoul THE KOREA TIMES in English 18 Oct 85 p 1 SK]

DPRK TO PRODUCE NUCLEAR WEAPONS--Seoul, Oct 19 (Oana-Yonhap)--North Korea is expected to have nuclear production capability by the mid-1990s, Defense Minister Yun Song-Min said Friday. Without assistance from China or the Soviet Union, North Korea would be unable to develop its own nuclear capability, Yun said. It has sent experts to those two communist countries in an effort to acquire nuclear technology, he said. Testifying before the national assembly plenary session, Yun said North Korea is fully prepared to launch a blitz attack on South Korea by deploying four newly activated mechanized army corps to the demilitarized zone, which divides Korea. North Korea has been steadily building up its forces, as part of its strategy to bring a "quick end to the war" if a conflict breaks out, he added. The defense minister said that the North Koreans are constructing 176 underground passages in the demilitarized zone, for use as bases and munitions depots. "We are fully prepared, however, to counter North Korea's combat preparedness through close cooperation with the United States," Yun said. [Text] [Seoul YONHAP in English 0139 GMT 19 Oct 85 SK]

CHONGNYON SCORED FOR PRAISE--Tokyo (Yonhap)--Chongnyon, the pro-North Korea association of Korean residents in Japan, has come in for severe criticism since it placed on expensive advertisement praising Kim Chong-il, heir-apparent to incumbent leader Kim Il-song, in the NEW YORK TIMES, the Ton-il ILBO reported Friday. The association placed the ad in the Oct. 8 edition of the NYT on orders from Pyongyang at an exorbitant cost of \$33,000, the Japanese-language daily for Korean residents in Japan said. Though the ad was nothing more than a commercial arrangement, the paper said, a North Korean paper, the CHOSON SINBO, reported the ad's publication on its front page as though the American paper had published a legitimate news story commending the junior Kim. Officials of the association who are well informed in North Korean affairs, reportedly were infuriated by the North Korea's sham publicity, charging that Pyongyang was attempting to fool its people. [Text] [Seoul THE KOREA HERALD in English 19 Oct 85 p 1 SK]

NORTH-SOUTH DIALOGUE--Kim Yong-sam said that the democratization of South Korea should be pushed ahead with, if for no other reason than to push ahead with North-South talks. Saying this at the club for foreign correspondents in Tokyo, Kim Yong-sam, who stopped over in Japan on his way back from the United States, continued: The most important thing for us now is to achieve peace by reunifying the divided country. After reappraising North-South relations, in which relations characterized by dialogue [taehwa kwangye] have been on the upswing, including the reunion between separated families, which took place for the first time in 40 years, Kim Yong-sam said that the democratization of South Korea should be pushed ahead with, if for no other reason than to bring talks to fruition. [Text] [(Clandestine) Voice of National Salvation in Korean to South Korea 1000 GMT 4 Oct 85]

OPPOSITIONISTS SUPPRESSED IN SOUTH--Pyongyang 11 September (KCNA)--the South Korean police "summarily trialed" four students of Seoul University and sentenced them to detention Monday on charges of involvement in a pan-national symposium which was held at Koryo University and a demonstration which followed the symposium, according to a radio report from Seoul. 19 students of Seoul, Yonse, Ehwa Women's, Hongik, Songgyungwan Universities and Theological Seminary were walked off to the police on September 6 on the spot for their participation in the symposium. The South Korean authorities arrested Won Song-hui, Paek Yung-ki and Pak Chong Su, members of the council for promotion of democracy, at dawn, Sunday. They were accused of their protest to the police violence which banned their participation in the symposium. The South Korean authorities are stretching the tentacles of suppression to several figures of the "New Korea Democratic Party" who tried to attend the symposium, labelling them as violators of the "law on assembly and demonstration." [Text] [Pyongyang KCNA in English 0501 GMT 11 Sep 85 SK]

DPRK UNIFICATION CAUSE SUPPORTED--Pyongyang 11 September (KCNA)--Delegates of various countries voiced full support to the Korean people's cause of national reunification at the plenary session of the conference of foreign ministers of non-aligned countries held in the capital of Angola. Alioune Blondin Beye, minister of foreign affairs and international cooperation of Mali, in his speech expressed Mali's firm support to the DPRK's policies for reunifying the country independently and peacefully free from any foreign interference. Foreign Minister of Cuba Isidoro Malmierca said that the foreign forces should withdraw from South Korea forthwith to let the Korean people achieve the independent and peaceful reunification of their country. The heads of delegations of Cape Verde, Lesotho, Maldives and Madagascar expressed in their speeches firm solidarity with the Korean people in the struggle for reunifying their country independently and peacefully free from foreign interference. [Text] [Pyongyang KCNA in English 0517 GMT 11 Sep 85 SK]

CSO: 4100/737

OLYMPIC GAMES

ROK DAILY CALLS FOR MODEST SEOUL OLYMPIAD

Reportage on Olympic TV Rights

SK050253 Seoul THE KOREA TIMES in English 5 Oct 85 p 4

[Editorial: "Modest Olympic Scale"]

[Text] Following nerve-racking negotiations which began three weeks ago at the International Olympic Committee (IOC) headquarters in Lausanne, Switzerland, the National Broadcasting Company (NBC) has finally been awarded U.S. television rights for the 1988 Summer Olympics in Seoul, in a deal worth at least \$300 million concluded at a meeting held in New York Thursday.

In light of earlier expectations over the anticipated revenue from television rights for the U.S. region, which occupies the bulk of the worldwide amounts, the minimum scale of guaranteeing the revenues from broadcasting rights as just made public is rather disappointing to Koreans who will host the grand international sports festival.

In addition to the minimum level of incomes, however, the contract features a profit-sharing provision, based on which Korea can expect up to \$200 million more, depending upon advertising revenues from the broadcasts.

It was previously projected that about 51 percent of the direct expenditures for the Seoul Olympics or \$462 million would be covered by the revenues from the broadcasting rights.

Under the plan, the contract amount for broadcasting rights should total \$610 million from the U.S. and other regions, including Europe and Japan, in consideration of the dividend to be shared by the IOC. It is predicted that no more than \$100 million will be expected from the revenues for broadcasting rights over the European region and Japan.

If the sales of advertisement by NBC bring in optimum revenues, the financial situation for the Olympics will be favorable as was planned. At this juncture, however, we are not in a position to foretell how things would unfold.

The success in hosting the Seoul Olympics will result in raising the image of Korea in the international arena, whose impact on the future path of this nation should be considered "priceless."

Nevertheless, responsible Olympic planners should be realistically prepared for any conceivable financial pinch concerned with the revenues from broadcasting rights and other sources, by curtailing excessively ambitious or extravagant preparatory programs to suit our national economy.

'Bitter Disappointment' on TV Rights

SK050930 Seoul YONHAP in English 0535 GMT 5 Oct 85

[Text] Seoul, 5 Oct (Oana-Yonhap)--A leading Seoul newspaper, cautioning of a wild dream of turning the 1988 Seoul olympics into the black Saturday, urged South Koreans to further tighten their belts than anticipated in staging the event.

Voicing a bitter disappointment at the less-than-anticipated money from a U.S. network for its broadcast rights, the daily CHOSUN ILBO said in its editorial the price is deplorably low for the efforts made in rescheduling some of the games to fit the American audiences.

The price for NBC's TV rights to broadcast the olympic games was set at a minimum of 300 million dollars and a maximum of 500 million dollars, depending on the U.S. network's ad revenues during the olympiad.

The Seoul Olympic Organizing Committee originally had hoped to get as high as 750 million dollars, based on ABC's bid of 225 million dollars for the Los Angeles games, which were a big profit-maker, and the 209 million paid by ABC for the 1988 Calgary, Canada, Winter olympics.

CSO: 4100/007

S. KOREA/POLITICS AND GOVERNMENT

YI MIN-U TO CALL FOR CONSTITUTIONAL REVISION AT ASSEMBLY

SK010104 Seoul THE KOREA TIMES in English 1 Oct 85 p 4

[Text] The major opposition New Korea Democratic Party is to call a meeting of a seven-member committee within this week to draft the address of the NDP President Rep Yi Min-u to the plenary session of the National Assembly.

Rep Yi Taek-hui, chairman of the NDP Policy Deliberation Committee, said yesterday "The address will spell out the necessity of the constitutional revision and the NDP's strong will for it." Rep Yi said the address will manifest that only constitutional change can solve campus disturbances, labor and management problems, and economic hardships.

The NDP leader's address may include a proposal for a meeting of Korean and the U.S. assemblymen in a bid to cope with the increasing market opening pressure from the United States.

The NDP president had pledged, in a recent meeting of the parliament and government leaders organized by the House speaker, to cooperate in efforts to meet with the current American economic pressure.

Officials of the minor opposition Korea National Party were at work in the party headquarters yesterday as the KNP president Yi Man-sop returned from Taegu in the afternoon to direct the basic frame of his address to be given in the House session.

In contrast, the NDP head office will remain almost vacant till Thursday as most of the party members and officials returned to their hometowns on the occasion of the Chusok and upcoming holidays.

CSO: 4100/005

S. KOREA/POLITICS AND GOVERNMENT

DAILY RAISES QUESTIONS ON DJP'S PEACE CORPS PLAN

SK030013 Seoul THE KOREA HERALD in English 3 Oct 85 p 4

[Editorial: "Korean Peace Corps?"]

[Text] Inviting public attention is a plan reportedly under study by the ruling Democratic Justice Party to send college student volunteers to developing or underdeveloped countries as part of "South-south cooperation," in a functional pattern similar to that of the American Peace Corps. While the scheme seems to be forward-looking and contributive to promoting international cooperation and understanding, there are questions related to the merits and *raison d'etre* of the envisioned overseas service system, as well as problems due to arise from its actual operation.

For one thing, dubious is the reported motivation of the plan in that it is partly designed as a means of coping with campus unrest: that is, to enable students as a means of coping with campus unrest: that is, to enable students to acquire enhanced awareness of international affairs and sound patriotism or national identity.

If a student service corps is ever to be sent abroad, the components should be the ones who are armed with firm perception of both international and domestic affairs, let alone keen sense of duty--not the other way around as envisioned by the plan.

More practical question concerns what specific cooperative roles the volunteers would play in the receiving countries, for the plain fact that their activity should result in making tangible contributions to the host nations.

In this respect ample lessons may be drawn from the U.S. Peace Corps activities which sometimes invited complaints, if not outright repercussion, from the host countries for what was criticized as the lack of practical benefits.

Also subject to controversy is an option suggested by the draft plan that the student volunteers, while rendering service to designated foreign countries, may work for Korean companies operating there and, accordingly, the firms may pay expenses needed for the overseas service program.

Needless to elaborate, a clear distinction must be made between voluntary service extended to a foreign nation and the work at a Korean company.

While a plan for dispatching voluntary service corps to less developed countries is deemed as a far-reaching policy option in the cause of promoting South-south cooperation, a mode of cooperation between developing countries, any such scheme ought to be most prudently and astutely studied, guarding against all potential drawbacks and counterproductive side-effects both at home and abroad.

CSO: 4100/007

S. KOREA/POLITICS AND GOVERNMENT

TEACHERS, NOVELIST INDICTED FOR 'MINJUNG KYOYUK CASE'

SK040144 Seoul THE KOREA HERALD in English 4 Oct 85 p 8

[Text] The prosecution yesterday indicated two former school teachers and a novelist involved in the so-called "Minjung Kyoyuk Case" of violating the National Security Law.

The three are Kim Chin-kyong, 32, and Yun Chae-chol, 33, who taught at Seoul's Yangjong and Songdong high schools, respectively, and Song Ki-won, 39, a novelist and former chief editor of the now-defunct "Silchon Munhak Co.," a publishing house in Seoul.

Of the three, Kim and Yun are charged with contributing articles critical of the country's existing educational system and the value of free democracy to the inaugural edition of an unauthorized publication, the Minjung Kyoyuk (Education of the Masses).

In addition, the pair incited anti-American sentiment through their articles carried in the May 1985 issue of the magazine, according to the prosecution.

The third suspect, Song, is accused of planning and editing the illegal publication.

The case originally involved 21 persons. Excluding the three indicted, eight were tried by summary courts and the remaining 10 were released with a warning.

On 23 August, the government stripped the Silchon Munhak Co. of its license in the wake of the incident.

It was the first time that the government has shut down a publishing company in violation of the Basic Press Law since the law went into effect 1 January, 1981.

CSO: 4100/007

S. KOREA/POLITICS AND GOVERNMENT

BRIEFS

ASSEMBLY PARTICIPATION DECIDED--The New Korea Democratic Party is likely to attend the idling regular National Assembly session next week. In a meeting of its ranking officials yesterday, the NKDP decided to make a final decision Tuesday on when to attend the Assembly session, after seeing the results of the floor leaders' meeting scheduled for next Monday. Yi Min-u, president of the main opposition party, told the meeting that the NKDP will have to choose a proper time to attend the legislature that has been stalled due to the indictment of two NKDP lawmakers. The NKDP will hold a lawmakers' caucus Tuesday to decide the date of attending the Assembly. Thus the National Assembly session is most likely to resume next week, possibly Thursday. [Text] [Seoul THE KOREA HERALD in English 5 Oct 85 p 1]

USIS CASE APPEAL--Seventeen out of the 20 defendants who were given prison terms Wednesday ranging from two to five years for their occupation of the USIS building last May appealed their terms to the Seoul Appellate Court yesterday. The 17 included Kim Min-sok, 21, a senior of Seoul National University (SNU) who also headed the National Federation of Student Associations. He was sentenced to five years in prison. The remaining three included Ham Un-kyong, 22, also a senior of SNU, who was given the heaviest sentence of seven years in prison. The other two are Hong Song-yong, of SNU, who received a four-year term, and Miss Chon Chin-suk, of Yonsei University whose two-year term was suspended for three years. [Text] [From the column "Local Newsin Capsule"] [Seoul THE KOREA HERALD in English 5 Oct 85 p 8]

BASIC LAW REVISION SEMINAR--The Democratic Justice Party is to hold a seminar at its Central Political Training Institute in eastern Seoul today to discuss how to cope with the opposition demand for constitutional rewriting. The seminar is expected to raise other issues pending between rival political parties. A DJP official said yesterday that the occasion will be attended by 60 party lawmakers including the floor leader, vice floor leaders, and national policy coordinators. The official said that the ruling party will take advantage of the seminar to renew its strong resolve to safeguard the present basic charter. [Text] [Seoul THE KOREA HERALD in English 4 Oct 85 p 1]

STUDENT GIVEN JAIL TERM--A district court judge in Seoul yesterday sentenced Yi Hae-sik, president of Sogang University's student council, to one and a half years in prison for violating the Law on Assembly and Demonstration. Judge Yi Chong-chan of the Seoul District Criminal Court handed down the jail term to Yi, 22, a senior majoring in philosophy. The judge found Yi guilty of leading 13 antigovernment demonstrations on and off his campus between April 10 and May 31 this year. Yi, also a key member of his school's Sammin Struggle Committee, a nationwide group of student activists, was arrested in July on the charge of violating the law banning illegal assemblies and demonstrations. The prosecution had demanded that he be given a five-year term. [Text] [Seoul THE KOREA HERALD in English 4 Oct 85 p 8]

POLITICAL LAWS STUDIED--The main opposition New Korea Democratic Party (NOP) has embarked on an extensive study of some 30 political laws in its preparatory work to seek the revision or abrogation of these laws in the upcoming regular National Assembly session. The statutes under study include the Presidential Election Law, Parliamentary Election Law, Political Party Law and those concerning local autonomy and political funds. The NDP Policy Deliberation Committee is to draft a revised formula for labor laws, the Court Organization Law, the Law on Assembly and Demonstration, the Law on Minor Offenses and the Law on Lawyers. The NDP plans to propose the abrogation of seven laws including the Political Renovation Law and the Labor-Management Council Law. A revision to the Parliamentary Election Law calls for the reduction of the number of lawmakers elected in one constituency from the present two to one and abrogation of the national constituency. [Text] [Seoul THE KOREA TIMES in English 4 Oct 85 p 4]

END TO 'LIBERAL' CLOTHING--The Korean National Party yesterday issued a recommendation to the government calling for withdrawal of the "uniform" liberalization measure on clothing and hair style of middle and high school students. The minor opposition party instead demanded the government let each school principal decide on the type of clothing and hair style of his students. The KNP said the 1983 measure designed to free the middle and high school students of the mandatory uniforms and short hair has produced various side effects. The KNP said the liberalization measure has resulted in revaling the young students to "noxious" social environment. The KNP recommendation was submitted to the National Assembly along with two other propositions. [Text] [Seoul THE KOREA HERALD in English 3 Oct 85 p 1]

CONSTITUTION PROTECTION--The ruling Democratic Justice Party will hold a meeting "for the protection of the Constitution" Friday as a means to counter the opposition camp-demanded revision of the Constitution for the direct election of the president. The meeting, sponsored by the party's National Policy Research Institute, will be attended by some 50 lawmakers, who will include the floor leader, deputy floor leaders and members assigned to the Legislation-Judiciary Committee of the National Assembly. An official of the institute said that the meeting "is aimed at arming party lawmakers with theoretical grounds for Constitution protection." He pointed out that constitutional revision will become the hottest issue in the Assembly when the regular session is normalized next week. "Therefore, party lawmakers should be armed theoretically in order to fight against the opposition demand in the House session." [Text] [Seoul THE KOREA TIMES in English 1 Oct 85 p 8]

CALL FOR PARLIAMENTARY GOVERNMENT—Rep Yi Chol-sung of the NKDP asserted yesterday that the system of presidential government is prone to lead to dictatorship and exacerbate regional confrontations. Yi, who seizes every occasion possible to call for a parliamentary system of government, also said that "responsible politics" cannot be realized under the presidential formula. The lawmaker, boss of a minor faction of the opposition NKDP, claimed that many of those who publicly endorse the presidential system privately support parliamentary government. Referring to the stalled regular Assembly session, he said, "I feel distressed because I do not know who is to blame (for the stalemate), just as a daughter-in-law doesn't know the name of her mother-in-law who lives in the same house." [Text] [Seoul THE KOREA HERALD in English 2 Oct 85 p 4]

TWO STUDENTS ARRESTED—Seoul Metropolitan Police arrested a 21-year-old senior of Ewha Women's University Sunday on suspicion of violating the National Security Law and the law governing assemblies and demonstrations. Miss Yi Yong-hui, a senior majoring in sociology, allegedly has read many leftleaning books since 1982. She is also suspected of leading Friday's antigovernment demonstration on the campus and four previous similar protests since April, the police officials said. Meanwhile, Seoul Chongnyangni Police arrested a 21-year-old medical student of Kyonghui University Sunday. Yi Sok-chae, vice president of the university's student council, was alleged to have organized nine campus protests denouncing the government since March, including Thursday's demonstration at the library. [Text] [Seoul THE KOREA HERALD in English 1 Oct 85 p 8]

CSO: 4100/005

S. KOREA/MILITARY AFFAIRS

KOREA HERALD OBSERVES ANNIVERSARY OF ARMED FORCES DAY

SK010049 Seoul THE KOREA HERALD in English 1 Oct 85 p 4

["37th Armed Forces Day"]

[Text] The nation today honors the officers and men of the Armed Forces for the professionalism and staunch preparedness they have achieved through the nearly four decades of thorny history since the army of the newly independent Republic was formed.

In looking back over the beginning years of our Armed Forces, we are bound to feel proud and confident for they have come a long way forward. From a small and ill-equipped army they developed rapidly to deal with scattered internal insurrections and later to repel and contain the all-out invasion of the North Korean Communist forces and their allies.

From their beginning up until today, the basic objective of our military establishment has remained the same--the defense of national security and peace against aggression. On the other hand, the sinister designs of North Korea also remain unchanged--the communization of the whole Korean peninsula by means of an armed attack or revolution.

The bitter lessons we have learned from the past behavior of Pyongyang during and after the Korean War focus on the Communists' classic tactic of striking at any weak points we might show at any opportune time. The one and the only protection against their belligerency is total defense preparedness on our part.

Of late the North Korean war machine has renewed its old military ties with the Soviet Union, which moved with unusual fervor to provide a sophisticated model of MIG fighter planes. Moscow has also significantly boosted the maneuverability and size of its naval arsenals and missiles in the Far East.

The ominous military developments in and around the peninsula call for our unfaltering commitment to maintaining a total security posture. That is the only deterrence against recurrence of armed conflict to originate from a miscalculation by our adversaries.

Military might alone will hardly suffice for such a vital total security. The political, economic, social and moral resources of our people are necessary to bolster the combined defense might. Solidarity and harmony among all sectors of the nation are the foundation upon which our strong defense and security rest. Observance of Armed Forces Day serves as a fresh reminder of such needs and implications.

CSO: 4100/005

S. KOREA/MILITARY AFFAIRS

BRIEFS

SPANISH DEFENSE FORCES CHIEF--Seoul, 5 Oct (YONHAP)--South Korean defense minister Yun Song-Min Saturday received Angel Liberal Lucini, chief of Spain's defense forces, at his office here. Yun presented the Spanish vice admiral with an order of national security merit, Tongil. Attending the ceremony were Chong Chin-Kwon, head of Korea's joint chief of staff, and Choe Sang-Hua, chief of Korea's naval operations. The Spanish vice admiral came here at the invitation of Chong. [Text] [Seoul YONHAP in English 0817 GMT 5 Oct 85]

CSO: 4100/007

S. KOREA/ECONOMY

ARGENTINE MINISTER SPEAKS AT IMF, IRDB SEOUL MEETING

PY080120 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1945 GMT 6 Oct 85

[Excerpt] Buenos Aires, 6 Oct (NA)--Speaking before the IMF and the IRDB [International Reconstruction and Development Bank] in Seoul today, Economy Minister Juan Sourrouille said that "to request an additional sacrifice in the current levels of consumption from the societies of the debtor countries" is very unfair and "will jeopardize the political and social stability of those countries," adding that "growth is indispensable."

Sourrouille expressed pessimism over the prospects of the world economy, "because we do not see that firm policies are being implemented to counteract the basic tendencies." He also asked that "efforts to reduce the excessive disparities and to eliminate the most irritating injustices be redoubled."

The Argentine economy minister made two speeches today in the South Korean capital, the first as president of the Group of 24 and the second as the representative of the bloc made up of Argentina, Bolivia, Chile, Paraguay, Peru, and Uruguay, the texts of which were released in Buenos Aires by the Economy Ministry.

Among other concrete proposals, Sourrouille mentioned, on behalf of the Latin American Southern Cone countries, the need for "an immediate apportionment of \$15 billion in Special Drawing Rights this year and for equal apportionments in coming years."

He said that "the new apportionment will promote the world economic recovery, help alleviate the difficult external position of developing countries, stimulate the growth of international trade, and help to achieve a more orderly adjustment of the world economy without inflationary effects."

Speaking as president of the Group of 24, the Argentine economy minister drew a stark picture of the world economy, affirming that "it continues to be characterized by low rates of growth, high rates of unemployment in several countries, noticeable differences in the proportion of

sacrifice that the adjustment process demands from developed and developing countries, instability in the currency exchange rates, and lack of coordination on the policies of the main developed nations."

Sourrouille noted that "the adjustment efforts the developing countries have continuously been making in recent years have been insufficient to modify the situation."

As signs of that situation--which last April was described as "unstable and unsustainable" by the Group of 24--Sourrouille noted "the low rates of growth, the mounting unemployment and idleness of economic factors, the drop in investments, the deterioration in the terms of trade, and the growing problems of the foreign debt and the balance of payments."

He added that the efforts made to correct the situation have been partially neutralized by the high real interest rates, the depressed prices for traditional export products, and the reduction in external financing," which have had "very negative" effects.

The Argentine economy minister said that "growth is an unpostponable need for our countries, and the possibility of obtaining it to a large degree depends on the attitude of the industrialized countries."

To bring about a change, he said, it will be necessary "to develop coordinated policies designed to increase trade and transfer resources toward the developing countries," as well as to reduce interest rates in real terms and "to eliminate protectionist measures against our exports."

Sourrouille recalled "the developing countries have reiterated that pressures cannot continue to be exercised on their social and political systems, especially because in many of these countries democracy has just been restored."

Continuing, the Argentine economy minister said that the solution to the high foreign debt of the developing countries "is still pending and that the co-responsibility that exists between creditors and debtors" makes necessary "a concerted action between the governments of creditor and debtor countries."

He insisted that it is all the time more obvious that the foreign debt problem will not find a lasting solution if we continue seeking it through the traditional method," and he proposed that "a global and constructive dialogue" be undertaken.

On behalf of the Group of 24, Sourrouille reiterated his request that "a new facility be created to compensate for the increase in interest rates," and contended that "payments for servicing the foreign debt should not exceed a reasonable proportion of export receipts."

He also proposed "the creation of a representative committee of ministers from developed and developing countries to study, within a given period of time, the proposals presented by the Group of 10 and the Group of 24."

CSO: 3348/54

S. KOREA/ECONOMY

ALVA CASTRO EXPLAINS STANCE AT SEOUL CONFERENCE

PY082106 Lima Cadena Panamericana Television in Spanish 0300 GMT 8 Oct 85

[Excerpts] Prime Minister Luis Alva Castro has stated that Peru will bring up the need for a new international economic order at the IMF governors meeting in Seoul.

Peru will participate actively in constructing a new international economic order at the IMF governors meeting. This was confirmed this morning by Prime and Economy Minister Luis Alva Castro in an exclusive interview from Seoul to our program Good Morning Peru.

Alva Castro said that perhaps on Wednesday or Thursday he will have the opportunity to explain Peru's opposition to the IMF's recessive policy.

[Begin Alva Castro relay] The first thing we have done here is to contact high-ranking World Bank and IMF officials. Tomorrow morning, I will meet with the World Bank President. This is a good opportunity to discuss important issues of interest to Peru regarding actions by the World Bank. We have a number of pending agreements and disbursements, which should be made within the next few months. These disbursements are necessary for national development.

Nevertheless, the expectations after the first contacts are obvious, given the fact that we are attending this annual IMF meeting for the first time. I am referring to the participation of our government. And as I stated on arriving here, we have come to explain our stance. I have already requested an opportunity to speak, and I understand that tomorrow they will give me an answer on when I will speak. It will probably be either Wednesday or Thursday.

We know perfectly well that the overall position is that there is a need for an essential change in the methods of operation of organizations like the IMF. This position is being proposed here. And I want to repeat once again, as President Alan Garcia said at the UN General Assembly: We have asked the IMF and the World Bank to take decisive steps in preparing the reform of the international monetary system.

I have also come to say that the Peruvian Government wants to participate actively in building a new international economic order, and that a commitment must be made here and now, as stated by our president, to organize the working groups, which this assembly might find necessary.

We are going to explain our position, which is very clear, regarding the foreign debt. I will explain what the Peruvian president has said so often and that we have been reiterating in the different forums in which we participate; namely, how we interpret the crisis deriving from the international financial system. We are going to suggest and propose a number of points and concrete measures to the IMF so that it can adjust its proposals and ideas, which to our judgement are more scientific, to ours, which are more humane. This is necessary because our people are suffering from a recessionary and inflationary process and a high unemployment rate. This situation is no longer tolerable because this policy has not given good results. [end relay]

CSO: 3348/54

DAILY REVIEWS 1986 NATIONAL BUDGET BILL

SK010125 Seoul THE KOREA TIMES in English 1 Oct 85 p 4

[Editorial: "Budget vs. Tax Burden"]

[Text] Divergent views and criticism are being raised concerning next year's national budget bill, scaled in general account at 13,815 billion won, or 10.2 percent higher than the current year's.

Among major points of criticism is an envisioned increase of 10.9 percent in tax revenues, including monopoly profits from the sale of cigarettes, as compared with this year's GNP growth estimated at 5.5 percent and next year's economic growth projected at 7 percent, an optimistic level itself. Such a high tax revenue growth rate is expected to increase the people's tax burden ratio to 19.3 percent next year.

The major opposition New Korea Democratic Party noted that an increase of 12.6 percent in next year's defense spending outruns the overall expenditure growth rate. On the other hand, it is to be admitted that the budget bill contains an enormous constraint as more than half of the total expenditures ought to be earmarked for such inflexible outlays as defense spending, subsidies to provincial governments and for educational finance, personnel expenses and reserve funds.

Consequently, new fiscal funds for government investments are limited to 3,845.3 billion won, which will be used to increase the income of farmers and fishermen and to promote promising small-medium industries, among other appropriations.

Further aggravating the people's burdens next year is the planned raise in school fees and various public utility rates, including railroad and subway fares, highway tolls and medical charges. Authorities concerned are called upon to reconsider these hikes, which would fan price spirals only adding to the people's burdens.

In line with the ruling party's campaign pledge for last February's parliamentary elections, the administrative authorities are also advised to reduce tax burdens of the low- and middle-income brackets.

CSO: 4100/005

S. KOREA/ECONOMY

DAILY REVIEWS IMF ASSESSMENT OF ROK ECONOMY

SK040157 Seoul THE KOREA HERALD in English 4 Oct 85 p 4

[Editorial: "IMF Assessment of Korea"]

[Text] Evaluations of the Korean economy, its past performance and future prospects, may vary except for a general agreement that its growth is a success story among developing nations today. Some are wont to exaggerate the positive aspect of Korea's economic growth, while others see the gloom of despair ahead.

Though every coin has two sides, neither extreme is especially appropriate. Most objective observers of the Korean economic scene during the past decade would agree that its track record is much better than fair. A number of recent surveys and commentaries from authoritative international sources support the conclusion.

The latest endorsement of this view came from the International Monetary Fund in one of its occasional papers prepared by senior economists with its Asian department. A similar view was expressed by World Bank President A. W. Clausen on the eve of the 40th annual joint meeting of the IBRD and the IMF slated to open in Seoul next week.

Having made a case study of Korea's successful adjustment to shifting economic conditions and challenges, the IMF report noted that during 1983-84 output rose by an annual average of about 8 percent, inflation was contained at about 2 percent, and the current account deficit was reduced to below 2 percent of GNP.

Despite its high level of external debt, the paper further pointed out, Korea's standing in the international capital market is consistent with its debt-servicing capacity. The report cited the low ranking in terms of debt-to-exports ratio (16th) and in terms of debt-service ratio (15th), in contrast to the fact that Korea is the fourth largest debtor among developing countries.

Given the recent record of economic management and performance, according to the analysis, the current strategy of the Seoul government to pursue

noninflationary growth and to move gradually to a surplus in the external current account appears feasible.

The present approach is rated as sound and its viability for the future good. The analysts also delivered a timely reminder that Korea still remains a developing country with a relatively low level of income and that the specter of protectionism casts a shadow over Korea's prospects for meeting its growth potential and its debt-servicing obligations.

We are bound to reiterate the well-founded worry aired by IMF economists that the position of trade barriers in our export markets might obstruct our development objectives, while Korean authorities are making much progress in liberalizing imports. Greater efforts are needed to make this reality of Korea well understood by all trading partners.

CSO: 4100/8

S. KOREA/ECONOMY

YONHAP VIEWS REVISED IMF REPORT ON WORLD ECONOMIC PROSPECTS

SK040604 Seoul YONHAP in English 0548 GMT 4 Oct 85

[Text] Seoul, Oct 4 (OANA-YONHAP)--The International Monetary Fund (IMF) has revised its report on future global economic prospects, predicting that the world economy will continue to recover, but that the growth rate will be lower than expected, an IMF source said Friday.

The revised report, compiled by the IMF interim committee, will be submitted at the joint IMF-World Bank annual conference, slated for October 8-11 in Seoul.

According to the report, the world economy will continue to recover during the rest of 1985 and in 1986. But due to uncertain factors in recent years, the global economy will grow at a rate lower than originally anticipated.

In the original report, published last April, the IMF predicted that the U.S. economy will grow by 3.3 percent in 1986. The revised report, however, forecast only a 2.6 percent growth rate for the U.S. economy.

The economies of industrially advanced countries will grow by about 3 percent, allowing those countries to narrowly escape the international financial crunch that will result from the default of payments by developing countries, according to the revised report.

The IMF's original estimate of a 2 percent growth rate in the world economy is hardly attainable, the revised report said.

High international interest rates, the sharp depreciation of the U.S. dollar and the heavy financial burden of developing countries to pay back foreign debts will hinder the growth of those countries. The economies of developing countries will grow by 4.1 percent in 1986, according to the revised report, compared with 4.5 percent estimated in the original report.

Developing countries will achieve a 3.6 percent growth rate this year--0.4 percentage points lower than the IMF's earlier estimate, the revised report predicted.

CSO: 4100/8

S. KOREA/ECONOMY

WORLD BANK PLANS FOR INVESTMENT GUARANTEE AGENCY VIEWED

SK040952 Seoul YONHAP in English 0751 GMT 4 Oct 85

[Text] Seoul, Oct 4 (OANA-YONHAP)--The International Bank for Reconstruction and Development (IBRD) plans to establish the Multilateral Investment Guarantee Agency (MIGA) at the annual joint IBRD/IMF general meeting, scheduled for October 8-11 in Seoul, a source at the joint IBRD/IMF secretariat said Friday.

Through the establishment of MIGA, the World Bank hopes to encourage direct foreign investments by guaranteeing non-commercial risks in developing nations, the source explained.

The interim and development committees, scheduled to meet here October 6-7, will discuss how to manage the agency and how to distribute voting rights among participating countries. The committees plan to submit its proposal for the creation of MIGA at the regular IBRD/IMF general meeting for final approval, the source said.

The establishment of MIGA would give developing countries a good opportunity to expand their inducement of direct foreign capital through the agency's coverage of major non-commercial risks resulting from political instability in those nations, economic experts here suggested.

As an independent corporation, the MIGA would maintain close relations with the World Bank, the source said.

Under the proposal, the World Bank president would be appointed as chairman of the MIGA Executive Council, and the chairman would have the authority to appoint the MIGA president.

The agency would begin operations after five capital exporting countries and 15 capital importing nations ratify the draft of the proposal, and after the combined capital contributed by the five exporting nations reaches 360 million U.S. dollars about one-third of the proposed one billion-dollar initial capital subscription.

Under the proposal, MIGA membership would be open to all IBRD member nations, as well as Switzerland.

Those interested in investing in the agency should hold citizenship in one of the MIGA member nations and should be engaged in business in that nation.

Other functions of MIGA would be to furnish information on investment opportunities, to prepare studies, and to offer advice to members on formulating and implementing foreign investment policies.

CSO: 4100/8

S. KOREA/ECONOMY

REPORTAGE ON IMF, IBRD CONFERENCE

World Bank President's Press Conference

SK040915 Seoul YONHAP in English 0838 GMT 4 Oct 85

[Text] Seoul, Oct 4 (OANA-YONHAP)--World Bank President Alden W. Clausen said here Friday that his organization will play a vital role in the transition of the world's developing nations from austerity to development and growth.

"We are at the start of a period which must--and I stress the word must--see a transition in the developing world from the rigors of austerity to the revival of development and growth," Clausen said in a press conference held at the Daewoo foundation building.

The World Bank, which has developed relevant, flexible and sound strategies through experience, will play a vital role in that transition, he said.

Clausen arrived here Thursday to attend the 49th joint annual meeting of the IMF/IBRD, scheduled for October 8-11.

The World Bank president said that progress will continue to be made in the economic recovery of the world.

"Hopefully, we are standing at the threshold of an economic transition from recovery to sustained growth over the next five years," he said.

To secure that transition, he said, "We must have a more open world trading system--and this is going to require new trade negotiations under GATT."

The leading industrial nations must restore monetary and fiscal balance to boost their growth and to lower interest rates, Clausen said.

The commercial banks must continue to serve as lenders to developing nations, he said, and they cannot turn away from their responsibilities.

Development institutions must give more support to adjustment programs, and they must do more to encourage the private sector and direct foreign investments, he added.

"In addition, the international community must recognize that if the developing nations are to continue on the adjustment path, then there must be external finance available from official sources to support their efforts," Clausen said.

He continued: "This is not a matter of choice. This is an imperative, if the transition from recession to sustainable growth is to be a reality."

Noting that the bank (IBRD) has significantly strengthened its work in many project sectors, Clausen said, "We will double our population and health lending in the period ahead."

He also mentioned the planned creation of a Multilateral Investment Guarantee Agency (MIGA), saying, "We have brought MIGA to the launching pad."

The World Bank president said that there must be greater concessional flows not only for Africa, but for the poorest countries throughout the world. The International Development Association, a concessional affiliate of the World Bank, he said, is a "crucial weapon in the global struggle to reduce malnutrition and to alleviate absolute poverty."

Clausen said that negotiations for IDA's eighth replenishment (IDA-8) will begin very soon.

Asked if he has detected the need for a stronger IDA, Clausen said, "I cannot believe the donor nations will turn their backs on the crying needs of the world's poorest nations."

The American financial leader said that IDA-8 must be larger than IDA-7.

Calling the new U.S. proposals for Africa "encouraging" the World Bank president said, "There is a crucial need for concessional flows to support policy reform in Africa and I am heartened that the U.S. recognizes this."

IBRD capital will have to increase in the next 18 months or so, he added.

"We need the capacity to support up to 45 U.S. billion dollars of IBRD commitments in the three years, to the end of fiscal year 1988, and up to 20 billion dollars per year by the early 1990's."

In response to a question on a possible change in the U.S. attitude toward the bank, he said that the IBRD has not sought confrontations with its shareholders, and he called for a "greater degree of shareholder consensus on the role the bank should play."

Clausen described the global external debt crisis as "a tough agenda, but an important one," and said, "The World Bank is fully ready to play a vital role in dealing with the world debt crisis."

"The international community will take the essential actions to cope with the economic situation of the heavily indebted nations," he added.

Regarding Peru's plan to limit debt service to 10 percent of exports, he said, "The details of Peru's plans on debt-servicing are not yet clear; therefore questions about the implications of these plans are really hypothetical ones."

Clausen went on to say that the IBRD and IMF could maintain a continuing relationship without making an agreement. "The absence of an agreement with the IMF is not necessarily a barrier to a continuing relationship with the bank," he said.

Committees to Review Opinions

SK050436 Seoul YONHAP in English 0211 GMT 5 Oct 85

[Text] Seoul, Oct 5 (OANA-YONHAP)--The interim committee and the development committee of the International Bank for Reconstruction and Development (IBRD) and the International Monetary Fund (IMF) will review and adjust opinions and demands made by the groups of countries at their respective meeting Sunday and Monday.

Representatives of the 16 groups of countries will address the meetings to voice their basic positions on the issues of international currency conversion, special drawing rights, the IBRD loan system and the growing tide of protectionism.

Common demands and agreed opinions will be taken up as formal agenda items of the annual joint IBRD/IMF meetings slated for October 8-11. Issues of conflicting interests will be sent to the IBRD/IMF board of directors for further discussions.

Meanwhile, South Korea and eight other Asian-Pacific countries, known as the Australian constituency, called for measures to ease growing protectionism and debt problems of developing countries at their working-level meeting held Friday at the Daewoo foundation building.

During the meeting, the Australian group decided to urge both rich and poor countries at the October 8-11 IBRD/IMF joint meetings to make common efforts to solve global economic problems.

The participants were Australia, South Korea, New Guinea, West Samoa, the Philippines, the Solomon Islands, Seychelles and Vanuatu.

Working-level officials of the group countries also discussed various issues including the matter of developing countries' external debts, the reshaping of the IMF monetary policy and the planned creation of the Multilateral Investment Guarantee Agency (MIGA).

Basic positions agreed upon at the meeting will be reflected by speeches by delegates from the Asian Pacific countries at the interim committee and development committee meetings.

Along with the Australian group meeting, four Nordic countries--Sweden, Norway, Finland and Denmark--had a working-level gathering Friday to determine their strategies for the October 8-11 plenary joint meeting.

Chairman Toure's YONHAP Interview

SK051427 Seoul YONHAP in English 1239 GMT 5 Oct 85

[Text] Seoul, Oct 5 (YONHAP)--The upcoming IBRD/IMF Seoul conference could be a "turning point" in the history of the world's financial institutions, because it would lead to the establishment of the Multilateral Investment Guarantee Agency (MIGA) and could create "a kind of new approach to the debt problems" among the United States and other countries, Mamadou Toure, chairman of the 1985 joint annual meetings of the institutions, said Saturday.

"These meetings (in Seoul) may not be routine, if MIGA is adopted, because it (MIGA) could be the turning point in helping to develop the resources of developing countries, and I also believe if the U.S. and other countries agree on a kind of new approach to the debt problems, that will be also, in my opinion, a turning point," Toure said.

As previous turning points, he cited the 1967 Rio de Janeiro conference, in which the special drawing rights (SDR's) were created, and the Kenya meeting, in which a new international monetary form was adopted, following the international oil crisis.

Toure, economic and finance minister of Senegal, made these and other remarks in an exclusive interview with the YONHAP News Agency of South Korea in the chairman's office in the Daewoo building here.

In response to a question about Korea's financial credibility overseas, the former IMF staff member said that although Korea is one of the largest debtor countries in the world, its financial credibility in international money markets and in the world financial institutions is "very good."

"I think this has been done only by your careful approach toward external sources and your good use of loans from outside in the productive sectors in developing your economy.

The financial leader stressed the importance of "more cooperative action between commercial banks, debtor nations and creditor nations toward a combined approach to the current global debt problems."

Toure, who is scheduled to chair the four-day IBRD/IMF plenary session, slated for October 8-11, welcomed the efforts of the Group-5 to bring the major currencies "under a relatively stable system."

"The U.S. dollar was very high three or four months ago, compared with all the other currencies, but there is a firm commitment now to bring the currencies to a level that is consistent with underlying conditions," Toure said.

He was referring to a meeting of five industrially advanced countries--the United States, Britain, West Germany, France and Japan--in New York on September 22. The participants decided to devalue the U.S. dollar against other major currencies.

The Senegalese finance minister has served as consultant to the U.N. Children's Fund, director of the U.N. African Institute for Economic Development and Planning, and director of the IMF African Department.

In response to a question about the prospects for the economic future of the world, Toure expressed concern over the low growth rate of the global economy.

"Without growth in international trade and international demand, it is quite impossible for the countries in the developing world to pay back their indebtedness to the developed world."

Regarding the growing trend toward-protectionism, especially in the United States and other advanced countries, the former director of the U.N. African Institute for Economic Development and Planning said, "It is incompatible to have at the same time protectionism and growth."

Toure continued: "Protectionism will, in the long run, hurt the competitiveness of the U.S. economy and will eventually lead to a kind of protectionist reaction among other countries. The U.S. Government is committed to free trade, and President Reagan is completely opposed to protectionism. If the dollar comes down to the underlying extent of the U.S. economy, the U.S. Government will work on defusing the protectionist measures," Toure said.

Asked about the future of the two world financial organizations, Toure said that their future depends on the "determination of the member-countries to support them."

"The success of the institutions depends on the willingness of the members, mainly of the big members, to still support the work of the institutions," he said.

Toure emphasized the importance of "close cooperation" between the two institutions, to deal effectively with problems facing Sub-Saharan African countries, which have been unable to make up their balances of payment within one or two years.

Austria-World Bank Agreement

SK051352 Seoul YONHAP in English 1341 GMT 5 Oct 85

[Text] Seoul, Oct 5 (OANA-YONHAP)--Austria has signed an agreement with the World Bank to make available one billion Austrian schillings (approximately 50

million dollars) to cofinance World Bank projects. The funds will be provided on highly concessionary terms.

The cofinancing agreement will focus on the poorest countries, primarily in Sub-Saharan Africa, where the Austrian Government will join the World Bank and the International Development Association in financing selected projects in food production and processing, industry, education, and health development.

The cofinancing agreement also provides for specific measures in order to increase the flow of credit and commercial funds from Austria to middle-income developing countries. Commitments under the cofinancing agreement will be made during 1986-88.

With this step Austria joins other European countries that have signed similar cofinancing agreements with the World Bank.

Austria's Minister of Finance Franz Vranitzky and World Bank President A.W. Clausen signed the agreement on October 5 in Seoul, Korea, where the bank's board of governors is holding its annual meeting.

Global Economy Report

SK060330 Seoul YONHAP in English 0311 GMT 6 Oct 85

[Text] Seoul, Oct 6 (OANA-YONHAP)--In a revised report on the future of the global economy, the International Monetary Fund (IMF) presents a somewhat less optimistic view of the world's economic growth, IMF sources here said Sunday.

The report will be submitted at the joint IMF/World Bank (IBRD) annual meeting, scheduled for October 8-11 in Seoul.

The IMF said in the report that the global economy will probably continue to grow but that the growth rate will be lower than originally expected, the sources said.

The revised report, compiled by the IMF interim committee, forecast that the world economy will continue to recover during the rest of this year and 1986. Due to uncertain factors in recent years, however, it will grow at a rate lower than originally anticipated.

The original IMF report had predicted that the U.S. economy would grow by 3.3 percent in 1986.

In the revised report, the IMF forecast only a 2.6 percent growth rate for the U.S. economy.

The IMF's original report, published last April, predicted a 2 percent growth rate in the world economy, but that rate is hardly attainable, according to the revised report.

The economies of industrialized countries will grow by about 3 percent, the IMF predicted those countries will be able to narrowly escape the international financial crunch that will result from the default of payment by developing countries, the report added.

Baker's Statement to Interim Committee

SK061225 Seoul YONHAP in English 1208 GMT 6 Oct 85

[Text] Seoul, Oct 6 (OANA-YONHAP)--U.S. Treasury Secretary James Baker III said Sunday that the U.S. Government opposes an allocation of special drawing rights (SDR's) by the International Monetary Fund (IMF).

The allocation of additional SDR's will be one of the major issues on the agenda at the 40th joint IMF/World Bank annual meeting, scheduled for October 8-11 in Seoul.

In a statement he presented at the IMF interim committee meeting held prior to the joint annual conference, Baker said, "The United States continues to believe that the basic requirement for an allocation has not been satisfied."

"A convincing case has not been made that there is a long-term global need to supplement reserves," he continued.

The developing countries have persistently demanded the allocation of additional SDR's, while the Western industrialized countries oppose the allocation.

Baker pointed out that global reserves have increased at an average annual rate of about 11 percent since 1982 and that other basic indicators, including the ratio of global reserves to imports and to external debt, have improved or remained relatively constant.

"Thus although some developing nations still face difficult adjustment and liquidity problems, the solution is not simply creating unconditional liquidity, only a small share of which would flow to the developing countries," Baker said.

"The key is implementation of sound economic policies to promote growth and adjustment, supported by adequate commercial and official support and a favorable global economic environment," he continued.

The U.S. secretary said that the global economy has continued its recovery in recent years.

The global community has made considerable progress in the past few years in reducing inflation, restoring growth, and dealing with the initial financial strains caused by the debt problem, he said.

The strong recovery of the U.S. economy which began in late 1982, has provided a strong impetus for trade and growth in other nations, he said. The benefits of growth are now spreading more widely, he added.

Real growth in the industrial world will remain above 3 percent this year, Baker said.

The industrial nations are providing a solid framework for growth in the developing nations, Baker said.

The domestic policies adopted by the capital-importing nations have also helped to dramatically reduce the current account deficits of those nations from 140 billion U.S. dollars to 44 billion dollars over the past three years and to lay the foundation for higher growth in the medium term, the treasury secretary added.

Regarding the prevailing trend toward trade protectionism among the developed countries, Baker said that President Reagan "has reiterated our firm intention to resist protectionist measures; his recent rejection of import restraints on shoes bears witness to that conviction."

Baker said, "However, our ability to avoid protectionist action depends critically on other nations opening their markets and eliminating unfair trading practices."

Concerning the IMF's enlarged access policy, Baker said that the United States is firmly committed to a strong and effective IMF.

"We are convinced that the IMF has played an essential role in dealing with LDC (less developed countries) debt problems," he said.

As part of the increase in IMF quotas, Baker said, it was agreed that the policy of enlarged access was temporary. He said that he had made a commitment to the Congress that the enlarged access policy would eventually be eliminated.

"While we recognize that continuing difficulties in a number of countries warrant an extension of enlarged access to found resources, we nevertheless believe that global circumstances permit a reduction of access limits, in order that we will be seen as keeping our commitment to gradually phase out enlarged access," Baker said.

Developing Countries Urge Reform

SK052346 Seoul THE KOREA TIMES in English 6 Oct 85 p 1

[Text] Developing countries demanded major reforms in the international monetary system yesterday, brandishing their snowballing debts against industrialized countries.

They urged that the international community should work toward international conditions that will be supportive of a balanced development of the world economy and the accelerated development of developing countries.

They also emphasized that a collective, continuing and comprehensive dialogue between creditor governments and debtor countries is a must for a lasting and stable solution to the external debt problems of the developing countries.

These statements were contained in a communique which was released at the end of the meeting of the Group of 24 developing countries yesterday preceding the October 8-11 World Bank-IMF meetings.

The group said that "urgent consideration must be given to developing mechanisms that would 'roll over' or refinance a significant proportion of interest payments on bank debts."

They called for the establishment of a new facility in the IMF to provide compensation for interest rate increases.

The communique also said that the IMF, together with other multilateral institutions, should develop new mechanisms to help those countries which were not able to repay their obligations to the fund according to a fixed schedule.

The joint statement went on: "Enhanced surveillance by the fund should not be a necessary condition for multiyear debt rescheduling. The catalytic role of the fund should, in principle, be exercised without enhanced surveillance."

To alleviate the external debt burden of the low-income countries and to make it more consistent with their repayment capacity and development requirements, the statement said, "Trade and Development Board Resolution 165 must be expeditiously and fully implemented."

The ministers representing the Third World countries said a task force should be established by the development committee to examine all aspects of the debt problem.

The ministers expressed concern about the acute stringency in the reserve position of a large number of developing countries at present.

A substantial allocation of special drawing rights (SDR's) would help to meet that concern by promoting economic recovery without being inflationary, they said.

The representatives of the poor reaffirmed that the "unconditional character of SDR allocations must be maintained."

They urged an effective reform of the international monetary system.

They demanded that a lending level of \$20 billion yearly by fiscal 1990 be the minimum and that the World Bank have a built-in capacity to lend at higher levels.

The participants noted that the creation of the Multilateral Investment Guarantee Agency (MIGA) could be a positive step to increase the flow of direct private investments.

'Expected Disagreement'

OW070443 Tokyo KYODO in English 0347 GMT 7 Oct 85

[Text] Seoul, Oct 7 (KYODO)--The Third World debt crunch and reform of the world monetary system produced an expected disagreement between major industrial nations and cash-starved developing countries during a policy-making interim committee meeting of the International Monetary Fund (IMF) which ended Monday morning.

Issuing a communique after the two-day meeting attended by senior economic officials from 22 nations, the committee said it has decided to create a new pool of money, not to allow an additional allocation of official monetary reserves or special drawing rights (SDR's) and to reduce access to IMF resources in 1986.

Conference sources said views differed on the controversial question of monetary reform, with industrial nations saying that currencies should continue to float.

Low-income countries called for the establishment of a "target zone" which would hold exchange rate fluctuations within a certain range, as their trade has been adversely affected by wide swings in currency values.

The committee agreed to study the question at its next meeting scheduled for next April.

The communique will be presented to an annual joint IMF-World Bank meeting beginning here Tuesday.

The committee accepted a watered-down version of a U.S. proposal, using a 2.7 billion dollar trust fund set up with the proceeds of IMF gold sales.

The original U.S. proposal, conference sources said, called for an equivalent sum from the World Bank and for possible contributions from major industrial nations.

In a carefully worded statement, the communique said the new fund "might" be supplemented with money from other places, which the sources said would include an equivalent sum from the World Bank.

The fund will provide loans on favorable terms over the next five years to those low-income countries poor enough to be eligible for money from the World Bank's International Development Association (IDA).

The communique stated that this assistance will be available to countries implementing economic programs promoting structural adjustment and growth in a medium-term framework.

Developing countries, with debts of about 970 billion dollars, pressed hard for an annual increase of 15 billion U.S. dollars in SDR's, but the committee, with the U.S. holding crucial voting power, refused to accept the idea, the sources said. The matter will be discussed at the committee's next meeting.

The agreement will allow countries to borrow up to either 400 or 440 percent of the funds they have committed to the IMF, down from 408 or 450 percent currently.

Access to IMF resources will depend on the seriousness of the country's balance of payments financing needs and efforts the debtor nation makes toward financial adjustment.

Developing countries wanted the access for 1986 to be maintained at current levels.

The committee called on industrial countries to pursue noninflationary policies with sustained growth, and for countries with huge budgetary deficits to reduce them--an apparent reference to the U.S. deficit.

It also warned that mounting trade protectionism poses a "major threat" to the world economy, saying this would undermine prospects for sustainable global economic recovery.

The committee meeting was followed by a joint IMF-World Bank development committee gathering, which is to review World Bank lending operations and other flows to developing nations.

Financial Groups' Role Stressed

SK070744 Seoul YONHAP in English 0728 GMT 7 Oct 85

[Text] Seoul, Oct 7 (OANA-YONHAP)--International financial institutions will have to play a new role in helping developing countries to sustain growth and to recover stability in world money markets, financial experts said Monday in a conference here.

Attending the conference, which was organized by the Korea Institute for Economics and Technology, were many of the delegates who are in Seoul for the 40th joint IMF/IBRD conference, scheduled for October 8-11.

They discussed the role of the international financial market in the newly industrialized countries (NIC's).

In the 1970's, international banking systems enabled the NIC's to develop rapid, but the emergence of a negative atmosphere in international financing

in the 1980's, caused by debt problems in Latin America brought about the decline of economic growth in developing countries, they said.

In a welcoming address Kim Man-che, Korean finance minister, said that South Korea is trying to expand exports and is studying ways to make the inducement of foreign capital more efficient, in an effort to improve its balance of international payments and to preclude the deterioration of international money markets.

Advanced countries should try to achieve economic growth without inflation and should ease protectionist measures against NIC exports, Yuske Kashiwaki, chairman of the Bank of Tokyo, said. It is imperative that the United States reduce its huge budget deficits and correct its high interest rate policy, he added.

In the new future, Tokyo will gain world-wide recognition as a capital supplier, Kashiwaki said. Japan plans to further expand its development fund and to engage in export financing for the NIC's, he said, because it has enjoyed a considerable current account surplus in recent years.

Professor Pak Yun-sik of George Washington University and President H.V. Douglas of Australia's Westpac Commercial Bank said in separate speeches that the rapid expansion in international financing and Euro-currency dealings has stimulated the development of new overseas banking centers (OBC's). The strong potential for growth in the Asian-Pacific region brightens the prospects for the establishment of an OBC in Korea, they said.

CSO: 4100/8

S. KOREA/ECONOMY

IBRD LOAN TO MEXICO

\$300 Million in Emergency Aid

SK050431 Seoul YONHAP in English 0138 GMT 5 Oct 85

[Text] Seoul, Oct 5 (OANA-YONHAP)--The International Monetary Fund (IMF) announced in a statement Friday that it has decided to grant Mexico 300 million U.S. dollars in emergency aid following the devastating earthquake there last week.

The statement was issued simultaneously in Seoul and Washington.

The decision to grant the aid was made in a meeting of the fund's executive directors here on Friday, according to the IMF statement.

Jacques de Larosiere, managing director of the IMF, delivered the message to Mexican President Miguel de la Madrid on September 20. In the message he said that the IMF is prepared to extend aid to Mexico, in an effort to repair the damages caused by the earthquake.

The emergency aid will be one-quarter of Mexico's quota or capital subscription with the IMF, according to the statement.

Larosiere said, "The proposed use of fund resources would be in line with emergency assistance offered by the fund in the past to member countries suffering from natural disasters."

Further on Loan Agreement

SK051015 Seoul YONHAP in English 0946 GMT 5 Oct 85

[Text] Seoul, Oct 5 (OANA-YONHAP)--Alden Clausen, president of the International Bank for Reconstruction and Development (IBRD), and Jesus Silva-Herzog, Mexican finance minister, Saturday signed an agreement to extend 300 million U.S. dollars in two loans from the World Bank to Mexico, which is suffering from the aftermath of its recent earthquakes.

One loan is for housing projects and the other for small scale industry.

The executive board of the International Monetary Fund (IMF) met in informal session here Friday to discuss emergency assistance from the fund to Mexico.

On September 20, 1985, Jacques Larosiere, IMF managing director, sent a message to Miguel de la Madrid, president of Mexico, that referred to the possibility of its financial assistance in the aftermath of the recent terrestrial tremor in that country.

The assistance of 300 million U.S. dollars is an equivalent of 25 percent of Mexico's quota in the fund.

The proposed use of fund resources is to be in line with emergency assistance offered by the fund in the past to member countries suffering national disasters.

The fund has since 1960 provided emergency assistance in the form of outright purchases in the first and second credit tranches to member countries in order to meet payment problems arising from sudden and unforeseeable natural disasters.

Such national disasters include earthquakes, hurricanes, drought, or pest infestation that disrupted members' economies and balance of payments.

In 1983, the World Bank also provided 9.75 million special drawing rights for the Yemen Arab Republic to overcome the disruptions to its economy resulting from earthquake.

CSO: 4100/8

S. KOREA/ECONOMY

REPORTAGE ON ACTIVITIES OF 'GROUP OF 24'

Joint Statement To Be Issued

SK050434 Seoul YONHAP in English 0232 GMT 5 Oct 85

[Text] Seoul, Oct 5 (OANA-YONHAP)--The "Group of 24" developing nations are expected to issue a joint communique Saturday, calling for the restructuring of the international currency system and five other demands worked out over the past three days.

Ministers from the Group of 24 are likely to approve the six items on Saturday and to submit a communique at the joint IBRD/IMF meeting next week.

The five other items include the allocation of additional special drawing rights (SDR's) and the increase of lending resources.

In a meeting of finance ministers from the "Group of 5" industrialized nations, the participants are expected to confirm their support for the establishment of an action program for the devaluation of the U.S. dollar, the distribution of the funding resources of the IBRD and IMF, and the alleviation of protectionism.

On Saturday afternoon, working-level officials from the 10 advanced countries are expected to work out preparations for the joint IBRD/IMF conference, scheduled for October 8-11.

The Canadian contingent, which comprises Canada, Ireland and nine other nations, and the Indonesian contingent, which consists of Indonesia, Thailand, Malaysia and six other countries, are likely to finalize their basic positions during the joint meeting.

Deputies of the 33 member-countries of the International Development Association (IDA), a concessionary affiliate of the World Bank, will discuss the extension of loans to developing nations.

In a ministers' meeting Saturday, the "Group of 24" is expected to reconfirm its position that under the existing international currency system, it is impossible for the developing nations to solve their external debt and trade deficit problems.

The Group of 24 is also expected to call on the industrial nations to substantially increase the lending resources of the IBRD and IMF, in order to solve the debt problem.

The developing countries are also likely to urge the industrialized countries to expand trust funding and concessionary funding for the world's poorest nations.

Trade Ministers Release Report

SK051212 Seoul YONHAP in English 1127 GMT 5 Oct 85

[Text] Seoul, Oct 5 (OANA-YONHAP)--Representatives from the developing world called on their counterparts from the developed world to give developing countries greater access to their markets, according to a report released here Saturday, following a meeting of trade ministers from the "Group of 24."

The Group of 24 comprises developing countries in Asia, Africa and Latin America.

The report, which will be forwarded to the IMF interim committee here on Sunday, urged the developed countries to roll back protectionist measures and to refrain from introducing new import restrictions, to help reduce external debts of developing countries.

Because the recent record on the transfer of resources from developed to developing countries has been disappointing, an acceleration in the flow of concessional aid is urgently needed, according to the report.

The current floating exchange rates cannot provide a "framework that facilitates the exchange of goods, services and capital among countries," the report said. It said that the establishment of "target zones" for exchange rates of major currencies and the policy coordination and intervention of advanced countries would help achieve exchange rate stability and to sustain a pattern of payment balances.

The 24 developing countries urged the creditor countries to support their efforts to discourage capital outflows, thereby helping developing countries to improve their worsening external debt situation, the report said.

Trade ministers from the Group of 24 are now in Seoul to attend the joint annual IMF/IBRD general meeting, scheduled for October 8-11.

The report also recommended that at least 15 billion special drawing rights (SDR's) be allocated to the developing countries to meet the growing liquidity needs of those countries.

The developing countries also emphasized the need for better representation of the Group of 24 in the decision-making processes of the IMF and the World Bank, arguing that the share of developing countries in the total votes of

the international financial institutions should be increased from 38 percent now to 50 percent.

Each of the three regional groups in the Group of 24 comprises eight constituency, representing a total of 128 developing countries.

CSO: 4100/8

S. KOREA/ECONOMY

REPORTAGE OF ACTIVITIES OF 'GROUP OF 5'

Dollar Devalued Further

SK052348 Seoul THE KOREA TIMES in English 6 Oct 85 p 1

[Text] The powerful group of five countries--the United States, Britain, West Germany, France and Japan--agreed in Seoul yesterday to continue to bring down the overvalued U.S. dollar, monetary sources said yesterday.

The sources also said the United States requested its four big industrial partners to agree to help poor nations through a \$5 billion trust fund.

U.S. Treasury Secretary James A. Baker, Japanese Finance Minister Noboru Takeshita and the other three influential finance leaders met behind closed doors to assess the impact of their agreement to lower the value of the U.S. dollar.

They also sought ways of easing pressure for protection from the U.S. industry, the sources said.

The finance ministers of the group, called the G-5, were huddling at the Hilton Hotel prior to the 40th annual joint meetings of the World Bank and International Monetary Fund (IMF), slated for October 8-11.

In the tightly guarded, four-hour meeting, the sources said, the ministers reached an agreement to lower the dollar in a bid to correct a trade imbalance and head off strong calls for trade barriers in the United States.

Since a meeting of the G-5 in New York on September 22, the sources said, the value of the U.S. dollar fell by some nine percent against the West German mark and 13 percent against the Japanese yen.

The results of the New York meeting met satisfaction from the G-5, a representative of them was quoted as commenting.

However, some developing countries lashed out at the group, pointing out that the five economic giants tried to tackle the world's economic problems on their own.

Over the past four years, debts for the Third World have snowballed.

According to the monetary sources, debtors were about \$43 billion behind in their repayments at the end of last year.

A monetary expert predicted that the debt of the developing countries will record some \$600 billion in the red in the next five years.

The controversy over ways of lessening the worsening debt crisis will be looming at the annual joint conference in Seoul next week, which attracts some 9,000 people from 149 countries.

Observers said that developing and developed countries were poles apart on the strategy for dealing with debt repayment schedules "precipitating an unprecedented international crisis."

Rich and poor nations alike are likely to underline the need to combat the ever-rising protectionism at the meetings of the Interim Committee and the Development Committee today.

Developing countries are expected to push ahead with their program to revamp the current floating monetary system.

Finance Ministers, Bank Heads Meet

SK030933 Seoul YONHAP in English 0625 GMT 3 Oct 85

[Text] Seoul, Oct 3 (YONHAP)--Finance ministers and governors of the central banks of the "Group 5" nations--the United States, Britain, France, West Germany and Japan--are scheduled to meet here on October 5 to discuss the declining value of the U.S. dollar, a source at the joint secretariat of the World Bank (IBRD) and the International Monetary Fund (IMF) said Thursday.

When financial leaders from the Group-5 nations met in New York on September 22, they agreed to meet again in Seoul during the annual joint IBRD/IMF conference, scheduled for October 8-11.

In New York, they shared the view that the dollar is overvalued and should be devaluated against other major currencies. Since then, the value of the greenback has fallen sharply, especially against the Japanese yen.

Their discussions here are expected to focus on the sale of dollars held by the central banks of many countries, the source said.

CSO: 4100/8

S. KOREA/ECONOMY

NINE-NATION AUSTRALIAN CONSTITUENCY MEETING REPORTED

SK041200 Seoul YONHAP in English 1020 GMT 4 Oct 85

[Text] Seoul, Oct 4 (YONHAP)--South Korean Finance Minister Kim Man-che is scheduled to deliver a speech at the 27th development committee meeting on Monday, on behalf of the nine-nation Australian constituency, a Finance Ministry source said Friday.

During a meeting at the Seoul Hilton Hotel on Friday, working-level officials from the nine Australian constituency member-nations chose the South Korean chief delegate to speak for them.

In previous development committee meetings Australia's finance minister delivered the speech for the constituency, which comprises Australia, New Zealand, the Philippines, Papua New Guinea, West Samoa, the Solomon Island, Vanuatu and South Korea.

The participants at the meeting on Friday also drafted statements to be delivered at the IMF/IBRD interim committee and development committee meetings, scheduled for Sunday and Monday, informed sources said.

The sources, who requested anonymity, said that the participants discussed a wide variety of issues facing the constituency's member-nations, including the additional allocation of special drawing rights (SDR's), the establishment of the Multilateral Investment Guarantee Agency (MIGA) and the restructuring of the global monetary system, from a floating rate to the fixed rate system.

The participants agreed that the growing trend toward trade protectionism among the developed countries should be eased and that the external debt problems of developing nations should be resolved during the joint annual meeting, the sources said.

They also agreed that the Australian constituency should strongly push for cooperation among developed and developing nations, in order to resolve their debt problems.

At the meeting on Friday, the Korean delegation asserted that the additional allocation of SDR's should be made as soon as possible. The participants agreed that the nine constituency member-nations should work together toward the operation of the MIGA during the upcoming joint IMF/IBRD conference.

CSO: 4100/8

S. KOREA/ECONOMY

BRIEFS

FRG FIELDS TASK FORCE--Seoul, 5 Oct (YONHAP)--West Germany, a strong contender for the joint meeting of the World Bank (IBRD) and the International Monetary Fund (IMF) in 1988, is fielding a task force to learn the lessons of Korea's experience in staging the so-called olympics of bankers. "I am very impressed by the well-knitted organization and manner of handling matters of the Korean staff," Hartmut Schulz, head of the nine-member inspection team, said. During the Seoul conference, Berlin will be declared as the host of the 1988 event, related sources said. Thailand is another hopeful for the mammoth international meeting, but the Southeast Asian nation, observers said, has little chance of winning the venue right in the face of the strong push of West Germany. The IBRD/IMF conference for 1986 and 1987 will take place in Washington in accordance with the "two-one" principle. [Text] [Seoul YONHAP in English 0239 GMT 5 Oct 85]

PHILIPPINE, THAI MINISTERS ARRIVE--Seoul, 5 Oct (YONHAP)--Philippine Prime Minister Cesar E.A. Virata arrived in Seoul Saturday to attend the 40th annual joint meetings of the International Monetary Fund (IMF) and the World Bank (IBRD), scheduled for October 8-11 here. At the airport, Virata said he has a deep interest in Korea's economic development experience and hopes to discuss on it with Korean business leaders. He added that Korean construction companies are actively participating in the development projects in the Philippines. Earlier in the day, Sommai Huntrakun, finance minister of Thailand, also arrived at Seoul's Kimpo international airport. Huntrakun will lead the Thai delegation at the IMF/IBRD joint meeting. More than 500 world banking and financial leaders, including finance ministers and central bank governors, also arrived here Saturday for the IMF/IBRD meeting. [Text] [Seoul YONHAP in English 0851 GMT 5 Oct 85]

BRAZILIAN BANK PRESIDENT-WORLD BANK--Seoul, 7 Oct (OANA-YONHAP)--Fernaõ Bracher, president of the Central Bank of Brazil, Sunday met with World Bank leaders to discuss Brazil's economic situation and external debt negotiations, a World Bank source said here Monday. In a meeting with the World Bank Advisory Committee, headed by William R. Rhodes, Bracher said that Brazil's 1.3 billion-U.S. dollar trade surplus in September was the third highest in the country's history. Brazil's trade surplus this year is expected to reach 12 billion dollars, he said. The inflation rate in Brazil fell from 14.0 percent in August to 9.1 percent in September, Bracher said. The Brazilian

government is continuing its discussions with the International Monetary Fund, he added. [Text] [Seoul YONHAP in English 0204 GMT 7 Oct 85]

ROK FINANCE MINISTER-JAPANESE BANKERS--Seoul, 7 Oct (OANA-YONHAP)--South Korea's finance minister, Kim Man-che, Monday hosted a luncheon for 17 leading Japanese bankers and securities company heads. In the luncheon meeting, held in the Lotte Hotel, Kim explained Korea's financial policies and stressed the critical role of Japanese banking institutions in helping to solve the external debt problems of developing countries. Among the Japanese bankers at the luncheon were Yusuke Kashiwagi, chairman of the Bank of Japan; Shigeru Suzuki, president of Hokkaido Tafushoku Bank; Yoshio Yokota, president of Yamaichi Securities Co.; and Akihiko Takeuchi, deputy president of Nippon Credit Bank. The Japanese bankers came here to attend the 40th annual joint meeting of the International Monetary Fund (IMF) and the World Bank (IBRD), scheduled for October 8-11. [Text] [Seoul YONHAP in English 0643 GMT 7 Oct 85]

CSO: 4100/8

S. KOREA/SOCIAL CONDITIONS

FOUR DEAD, OTHERS MISSING IN TYPHOON AFTERMATH

SK060204 Seoul YONHAP in English 0200 GMT 6 Oct 85

[Text] Seoul, 6 Oct (Oana-Yonhap)--At least four people were killed and 49 others missing after typhoon Brenda swept through the southern coast of Korea Saturday.

The typhoon was the seventh to hit Korea this year. Weathermen said that this is the worst year for typhoons in Korea since 1959.

Cheju-do was hit hardest by the typhoon, which dumped more than 300 millimeters of rain on the island. Many streams on the island were overflowing, and more than 100 houses along the streams were flooded.

Five ships sank off the coast of Cheju Island, leaving 19 crewmen missing. Eleven more people were reported missing after two fishing boats collided off the coast of the island.

The operation of coastal passenger ships leaving Cheju was suspended for the second consecutive day. The flight of Korean aircraft from Cheju-do to Seoul and other major cities was also suspended.

The suspension of both seaborne and aerial traffic left more than 2,000 tourist stranded on the island.

In South Kyongsang Province, 470 people from 88 households took refuge after their houses were flooded. About 3,300 hectares of farmland were either flooded or damaged as a result of Brenda.

The typhoon moved northeasterly at 55 kilometers per hour before passing into the East Sea through the strait between Korea's southeast coast and Japan's Kyushu Island early Sunday morning.

CSO: 4100/007

S. KOREA/SCIENCE AND TECHNOLOGY

BRIEFS

AGREEMENT WITH JAPAN--Seoul, 1 Oct (OANA-YONHAP)--South Korea and Japan will conclude a bilateral science and technology cooperation agreement this year, a Foreign Ministry official said Tuesday. The two countries initialed it at their 13th annual ministerial conference, held here in late August. Yi Won-kyong, Korea's foreign minister, and Kiyohisa Mikanagi, Japan's ambassador to Korea, plan to sign the pact before the end of 1985. Korean President Chon Tu-hwan and Japanese Prime Minister Yasuhiro Nakasone raised the idea of the agreement at their summit talks in Japan in September 1984, the official said. The pact will be the first science and technology cooperation accord between Japan and a non-communist country containing a clause calling for private-level technological cooperation. Under the agreement, Japan will expedite the transfer of its high technologies in the material science, aerospace, computer and genetic engineering fields to Korea, the official said. [Text] [Seoul YONHAP in English 0206 GMT 1 Oct 85]

CSO: 4100/005

S. KOREA/POPULATION, CULTURE AND SOCIETY

BRIEFS

OFFICIAL RETURNS FROM U.S.--Kim Chong-pil, who once headed the now disbanded Democratic Republican Party, recently ordered the National Rejuvenation Fraternity Club to strengthen its organization, a news report said yesterday. Quoting a source close to Kim, a fraternity official said that the former DRP president expressed his intention to return to Seoul from the United States around 15 October. The fraternity, which consists of members of the former ruling party and ranking officials of the government of the late president Pak Chong-hui, is scheduled to hold memorial ceremony 26 October to mark the sixth anniversary of Pak's death. [Text] [Seoul THE KOREA HERALD in English 4 Oct 85 p 4]

CSO: 4100/007

S. KOREA/FOREIGN RELATIONS

KOREA-U.S. SECURITY CONSULTATION MEETING REVIEWED

Seoul ANJON POJANG in Korean No 7, Jul 85 pp 10-13

[Text] The Korea-U.S. Security Consultation Meetings (SCM), which are held once a year and alternate between Seoul and Washington, have broader significance and results with every meeting.

Even judging by the original spirit with which the SCM was envisioned, through the annual meetings of the defense chiefs of Korea and the U.S. the two nations have firmly established a common objective of strategic planning for Korean and American forces to counter the North Koreans in case there is an emergency on the Korean peninsula.

Moreover, it cannot be overlooked that recently the meaning, significance and character of the Korean and American role in preparation for the Pacific Era as well as the world-wide strategy of curbing and restraining the Soviet Union's stubborn adherence to a policy of southward advance have been raised to a higher dimension.

In particular, we are encouraged and inspired by the results of the 17th Korea-U.S. Security Consultation Meeting, held at the Pentagon over 3 days last May 7th.

Rather than interpreting the U.S. forces' "swing" strategy toward Korea, confirmed by the armed might of 40,000 U.S. troops stationed in Korea and by the annual "Team Spirit" joint exercises, as simply a strategy of restraint with its lone objective simply blocking any more North Korean aggression, it can be viewed on a broader dimension as an enhanced general Pacific Ocean strategy of the Free World and Northeast Asia including the Korean peninsula.

It is especially significant that at this Pentagon meeting, in which the Korean and American military leaders sat down across from each other and conferred, we achieved and accomplished precisely the hopes and aims we had been calling for.

In the remarks of the U.S. Secretary of Defense Weinberger that "As a Pacific power the U.S. intends not only to block war on the Korean peninsula but also to construct an overall U.S. security policy for Northeast Asia and the

Pacific region through the stability and peace of Korea," we can read America's considerable expansion and enhancement of its commitment to the defense of Korea compared to what it was previously.

Let us first examine the results of the efforts to realize in the Korea-U.S. Security Consultation Meeting the actualization of the "security cooperation by the two nations" that was discussed at the summit meeting between the two nations.

The 17th Korea-U.S. Security Consultation Meeting is being appraised as highly significant for America's firm resolve to defend Korea, which was reaffirmed at the Korea-U.S. summit conference last month (April 27), and to that end for its giving concrete shape to the strengthening of the program of security cooperation between the two countries.

Because of the unprecedented heightening of the threat of a sudden attack on the South, with the reorganization of the North's troops and their forward deployment as the 1986 Asian Games and the 1988 Olympics approach, it appears that at this meeting Korea and the United States prepared a concrete joint program for dealing with this level of danger to the security of the Korean peninsula which both nations recognize.

Already the heads of the two nations have reaffirmed the traditional close alliance between Korea and the United States in security areas and President Reagan has reaffirmed as well the commitment to the defense of Korea and recognizes the direct connection between stability on the Korean peninsula and the security of Northeast Asia and the U.S. and even world peace.

In view of the nature of Korea's environment, he pledged again America's firm commitment to the defense of Korea and the stationing of U.S. forces in Korea.

At the summit meeting between the two nations President Reagan promised a totally sympathetic common approach to the gravity of the security situation in Korea through 1988, which President Chon Tu-hwan stressed, confirming that preventing the reoccurrence of war on the Korean peninsula was a pressing problem.

On May 8th Defense Minister Yun Song-min and American Secretary of Defense Weinberger held the 17th annual Security Consultation Meeting to discuss the plans for strengthening Korea-U.S. security cooperation which came out of the summing meeting between the two nations.

It is being reported that the defense chiefs of the two nations have agreed on counter measures for the "scenarios for the invasion of the South," having received at this meeting the results of the joint research which has been carried out on the forms a North Korean attack on the South might take as the possibility of North Korean provocations of the South increases.

The results of this research, carried out in accordance with the decision of the Sixth Military Affairs commission meeting (MCM) held in Seoul in May of last year, were drawn up by over a hundred Korean and American intelligence specialists meeting for a total of over a month in two sessions, in Hawaii last January and in Seoul in April.

It looks as though the shape a North Korean attack can be expected to take would be that they would employ a variety of chemical weapons and launch a prepared surprise attack, planning to attack from the front and the rear simultaneously and dropping large numbers of their 100,000 strong commando unit in rear areas.

If that is what happens, then before our reserves and the supporting troops of our allies can be mobilized, the fighting could be all over in a short decisive battle of 5 to 7 days.

The reason this research was done is that recently the North Koreans have totally reorganized their military units, establishing four mechanized corps and one artillery corps and have completed forward deployment near the demilitarized zone, greatly shortening warning time.

Similarly, the North Koreans, while building some 170 underground tunnels within the demilitarized zone and trying to introduce 87 American-made helicopters and a variety of the latest models of guided missiles, are intensifying the integrated training exercises of their army, navy and air force which focus primarily on offense.

The analysis by the specialists of the two nations is that it is clear that the North Koreans, looking ahead to the 1986 Asian Games and the 1988 Olympics, are scheming an armed provocation, resolved to bring on self-destruction out of their feelings of anxiety and irritation that they will not be able to stand shoulder to shoulder with South Korea in military, diplomatic, economic or in any area when these international events are carried out successfully.

Accordingly, it appears that at this meeting Korea and the United States agreed on strengthening the Korean military's early warning system by intensifying high and low level detection and surveillance and they agreed on Korea and the United States jointly studying countermeasures to the enemy threat.

On his return after concluding the 17th Security Consultation Meeting, Defense Minister Yun Song-min also gave his support to the enhancement and expansion of the Security Consultation Meetings with this statement that "We pledged that Korea and the United States as allies would devote our common efforts to the peace and stability of this region, reaffirming that the traditional security cooperation ties between Korea and the U.S., which are being firmly maintained, continue to contribute to peace and stability in Northeast Asia and are curbing a recurrence of hostilities on the Korean peninsula."

In particular, it is reported that at this meeting they both held the opinion that the Korean military must possess its own minimum capability of defense against chemical warfare to confront the North Korean independent chemical warfare capability. It is also reported that there was agreement on the question of deploying the latest American chemical weapons in Korea in order to heighten the effectiveness of their preventing war.

Furthermore, an important result was the decision to consider the joint development of long-range firepower or guided missiles in order to improve the combat capability of the Korean military.

Through this meeting, with the two nations strengthening further their exchange of strategic intelligence and with the display at home and abroad of the intention of both Korea and the United States to strike back and retaliate if an emergency arises, a wedge has been driven into any reckless provocative moves by the North Koreans as they confront these international games.

Furthermore, with the analysis at this meeting that the motive for North Korea importing Western equipment and technology such as American helicopters is to use them to either infiltrate the South or launch a surprise attack on the South and that they are plotting to develop equipment similar to what the West possesses and, by exporting it to third countries, expand regional disputes and export so-called revolutionary capability, Korea and the U.S. agreed that this was a serious military threat to their two nations.

Accordingly, when transferring military technology to Communist China or selling them weaponry, the United States has decided to first confer with Korea and establish measures to prevent any leakage into North Korea. The United States has also decided to supply South Korea with the latest technology which can render powerless that armament and technology which has already reached the North.

In particular, it is reported regarding North Korea's acquiring American helicopters that Secretary of Defense Weinberger has informed our side that he sees this as "an extremely serious loss" and will punish those responsible and he of course has already taken steps to totally cut them off from any additional paraphernalia and spare parts.

Similarly, it is reported that a broad agreement has been reached on a variety of measures, such as on joint Korea-U.S. development of short-range ground-to-air missiles to counter the high- and low-level penetration of low-flying aircraft, on technological cooperation in sonar intelligence for the detection of enemy submarines and in the removal of mines which may be planted outside Korea's harbors in a crisis situation, and on the exchange of data on unmanned aircraft.

Lowering the interest rate on export loans to the Korean military in order to enlarge the stockpile of war reserve materials and strengthen the fighting capability of the Korean forces and establishing Korean-American joint survey teams to increase the equipment in American military facilities which utilize the facilities of our defense industry, raising the productivity of our defense industry, can be counted as aggressive counter measures.

Starting this year a policy study committee has been established, in addition to the four committees for cooperation on military affairs, security, military equipment and technology, and it will investigate the situation for security policies over the medium or long term.

The two nations strengthening further their security cooperation organization in this way, making explicit in their joint statement that "the American

nuclear umbrella will continue to guarantee Korea's security," is explained as a strong warning to the North Koreans against any rash moves.

Furthermore, the defense chiefs of the two nations promising each other to work together for successful programs in 1986 and 1988 signifies firm cooperation and solidarity between Korea and the United States that goes beyond the defense or diplomatic dimension.

The more our defense cooperation with our traditional ally America is flourishing and encouraging, the more we must not overlook the fact that our intention of having an "autonomous national defense," which we have usually been advocating up to now, must grow more firm and be further internalized.

Another significant result that came out of this Korea-U.S. Security Consultation Meeting is that during the meeting, through the formation and operation of a "policy study committee" composed of the policy chiefs of the Korean and the American military, there was wide-ranging discussion and cooperation not only on specific topics for this meeting but even on "potential problems" which might arise in the future.

It appears that at the Pentagon this time promises were made to have more extensive study and research in the future by those responsible for the national defense policies of the two nations of Korea and the United States.

Furthermore, one thing we must remember is that one of the items Defense Minister Yun Song-min and Secretary of Defense Weinberger agreed on is that the United States promised that in the future Korea will be informed in advance of any transfer of military technology which the Americans plan to supply to Communist China and will be told what that technology is.

This is a firm, long-term defense policy, related to America's Hughes Corporation exporting helicopters to North Korea, which is intended to block and guard against, before it occurs, any weakening of our anti-Communist military might which might arise if military equipment and technology produced in American enters those areas of Northeast Asia outside Korea.

The more defense cooperation with our traditional ally the United States is prospering and encouraging, one more matter we must not overlook is our autonomous and independent will.

We learned from Vietnam that even if we run into any kind of adverse situation or misfortune we can easily overcome it but without our people, our land, and our thoroughgoing spiritual armament first, our allies too will abandon us.

If Secretary of Defense Weinberger and Chairman Vessey of the Joint Chiefs of Staff, together recognizing the high level of threat to the stability of the Korean peninsula, gave the impression that "It was a really splendid meeting," on our side Minister of Defense Yun Song-min also commented that it had "maximized Korean-American security cooperation ties."

However we must inscribe in our memory and pay particular attention to Secretary of Defense Weinberger at this meeting indirectly asking for an increase in our defense burden which corresponds to American aid by pointing

to the maintenance of "the ties of allies with an equal financial obligation to the two nations' preserving of the stability of the Korean peninsula" and demanding that "allies share even more of the common defense burden."

This is because America's defense burden policy is aimed first at the member nations of NATO and at Japan but, with a policy of talking up their bearing "with limited resources the responsibility for global stability," it is certain to gradually spread to other nations, including Korea.

Finally President Chon Tu-hwan, who has further solidified cooperative relations between the two countries through face-to-face meetings with President Reagan once in Korea and twice in America since the launching of the Fifth Republic and had deepened the ties of personal friendship between the two heads of state, can be said to have greatly encouraged the talks at the Pentagon of the defense chiefs of the two nations on stability on the Korean peninsula and in the Pacific by going to America about a week before the 17th Security Consultation Meeting.

For that reason the results of this meeting were greater than in the talks in previous years and have driven a wedge into North Korea's dreams of provocations with 1986 and 1988 ahead.

Furthermore, this is a result of the two nations working together to the utmost on their security commitment.

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CSO: 4107/256

S. KOREA/FOREIGN RELATIONS

ROK FOREIGN MINISTER, SHULTZ TO MEET IN NEW YORK

SK021038 Seoul YONHAP in English 0959 GMT 2 Oct 85

[Text] Seoul, 2 Oct (YONHAP)--South Korean Foreign Minister Yi Won-kyong and U.S. Secretary of State George Shultz are scheduled to hold the first in a series of regular U.S.-Korean foreign ministers' meetings at the UN Plaza Hotel in New York at 4 a.m. [0700 GMT] Thursday (Korean time), the foreign ministry here announced Wednesday.

They are expected to discuss the ongoing inter-Korean dialogue, the Soviet Union's stepped-up military support for North Korea, relations between Seoul and Peking, and bilateral trade frictions, a ministry official said.

The two foreign ministers are also likely to exchange views on reports that the U.S. government has been considering issuing entry visas to a group of North Korean scholars who reportedly plan to attend a seminar in the United States, the official added.

The Korean foreign minister went to New York on 26 September to attend the 40th session of the UN General Assembly.

Before meeting with Shultz, Yi is scheduled to hold talks with Paul Wolfowitz, U.S. Assistant Secretary of State for East Asian and Pacific affairs. They are expected to discuss diplomatic and economic issues between Korea and the United States, the official said.

CSO: 4100/007

JPRS-KAR-85-071
6 November 1985

S. KOREA/FOREIGN RELATIONS

ROK-JAPANESE FOREIGN MINISTERS DISCUSS UN POLICIES

SK280310 Seoul YONHAP in English 0232 GMT 28 Sep 85

[Text] United Nations, 27 Sep (Oana-Yonhap)--Yi Won-kyong, South Korean Foreign Minister, and his Japanese counterpart, Shintaro Abe, agreed Friday to strengthen bilateral cooperation in international forums, including the United Nations.

During a meeting at the Waldorf Hotel here, the two foreign ministers discussed various issues pending between Korea and Japan, including the trade imbalance between their countries, and cooperation in the fields of science and technology.

They also exchanged views on how to promote South Korea's entry into the United Nations and the ongoing inter-Korean dialogue.

Yi and Abe are now in New York attending 40th session of the UN General Assembly.

In their meeting, Yi Lee repeatedly told Abe that at least South Korea alone should be admitted into the United Nations if North Korea continues to oppose the simultaneous entry of both Koreas into the world organization. Seoul basically supports the concept of simultaneous entry, in an effort to ease tensions on the Korean peninsula.

Abe said he empathizes with Seoul's position and promised that the Japanese government would support South Korea's entry into the United Nations.

Yi explained to Abe recent developments in the inter-Korean dialogue and said that Japan should be prudent in its relations with Pyongyang.

In response, Abe said that Japan fully understands Seoul's position and that the Japanese government will closely consult with the South Korean government on the issue of relations between Pyongyang and Tokyo.

The Korean foreign minister expressed the hope that the Japanese government will show a sincere attitude toward improving Japan's alien registration law, which requires Korean residents in Japan to be fingerprinted.

CSO: 4100/007

JPRS-KAR-85-071
6 November 1985

S. KOREA/FOREIGN RELATIONS

ROK DECIDES TO JOIN UN HUMAN RIGHTS GROUPS

SK050437 Seoul YONHAP in English 0145 GMT 5 Oct 85

[Text] Seoul, 5 Oct (Oana-Yonhap)--The South Korean cabinet has decided to join the International Covenants on Human Rights and the UN Protocol for Refugees, the foreign affairs ministry said Saturday.

The decision to join the organizations was made in a cabinet meeting Friday, but must be approved by the president and the National Assembly.

The International Covenants on Human Rights comprise the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights. The United Nations adopted both covenants in 1966.

The Covenant on Economic, Social and Cultural Rights holds that no one should not be discriminated against because of race, nationality, religion or sex.

Under the covenant, all member-nations should submit regular reports on human rights to the UN Economic and Social Council.

The Covenant on Civil and Political Rights supports the right of self-determination for races, the protection of minor races, and the elimination of torture and slavery, a ministry official said.

The Protocol on Refugees includes a provision that a country should be fair in its treatment of refugees seeking shelter in that nation for political or other urgent reasons.

The Covenant on Economic, Social and Cultural Rights comprises 83 countries, the Covenant on Civil and Political Rights has 81 member-nations, and the Protocol on Refugees consists of 94 countries.

CSO: 4100/007

S. KOREA/FOREIGN RELATIONS

DJP STUDYING SENDING STUDENT VOLUNTEERS TO DEVELOPING NATIONS

SK010038 Seoul THE KOREA HERALD in English 1 Oct 85 p 1

[Text] The Democratic Justice Party is studying a plan to dispatch college student volunteers to developing countries.

Party chief policymaker Chang Song-man said yesterday that the plan is designed to enable students to enhance their awareness of international affairs and formulate a proper sense of statehood.

The proposed voluntary overseas service system will be similar in character to the American Peace Corps system, he said. Those who serve in developing countries for 2 or 3 years will be exempted from military service, he said.

The chief policymaker said that educators-turned-lawmakers initially proposed the idea. The plan will be pursued as part of an effort to materialize President Chon Tu-hwan's pledge to promote South-South cooperation, Chang said.

Those countries to which the DJP plans to send student volunteers include Malaysia, Bangladesh, the Sudan and Kenya. He said that the DJP and the government will hold consultations soon to realize the plan.

Chang said that student volunteers may work for overseas Korean companies, while rendering service to foreign countries to which they are dispatched. Those Korean companies may pay the expenses needed to finance the overseas voluntary service program.

A feasibility test has already been conducted among those companies, some of which have shown good responses to the program, he said.

CSO: 4100/005

S. KOREA/FOREIGN RELATIONS

BRIEFS

SOCIALIST INTERNATIONAL MEETING--Kim Chol, chairman of the Socialist Democratic Party, left here Sunday to attend the governors' meeting of Socialist International to be held in Vienna 14-17 October. Before going to Vienna, Kim will visit West Germany, France, Britain, Spain, Sweden and Italy to meet socialist party leaders there. He was accompanied by Pak In-mok, vice chairman, and Sin Tae-ho, spokesman. [Text] [Seoul THE KOREA TIMES in English 1 Oct 85 p 8]

UNESCO MEETING IN SOFIA--Education Minister Son Chae-sok will attend the 23rd UNESCO General Conference, scheduled for 4 October-12 November in Sofia, Bulgaria. Son will head the delegates of the Korean National Commission for UNESCO and deliver a speech as commission chairman at the biennial meeting. He will be accompanied by UNESCO Seoul Chapter's Secretary General Cho Song-ok. [Text] [Seoul THE KOREA TIMES in English 1 Oct 85 p 8]

NEW AMBASSADOR TO COLOMBIA--Seoul, 30 Sep (OANA-YONHAP)--The South Korean Government Monday appointed Pak Kun-u, director of the American Affairs Bureau at the Korean Foreign Ministry, as ambassador to Colombia. The 48-year-old Pak replaces Yi Yong-hun who has been named as resident ambassador at the Foreign Ministry. The new ambassador to the South America had once served as minister to Nigeria before being assigned to his previous post. Chang Son-sop, ambassador to Barbados, was appointed to replace Pak. [Text] [Seoul YONHAP in English 1145 GMT 30 Sep 85]

SECOND ASIAN JUMPING COMPETITION--Seoul, 7 Oct (Oana-Yonhap)--The Asian Equestrian Association (AEA) decided in an executive council meeting here on Sunday to hold the Second Asian Jumping Competition in China in 1989. Present at the meeting were nine members of the AEA executive council, including AEA president Kim Chong-u of South Korea, vice president Lee Su-kwang of China, and another vice president, fortune Marcos Barba of the [word indistinct]. The delegates also decided to hold the equestrian competition every four years in the host country of the Asian games, one year before the Asiad. In addition, the delegates admitted Dubai as a new member of the AEA. The First Asian Jumping Competition is scheduled for Wednesday in Seoul. [Text] [Seoul YONHAP in English 0640 GMT 7 Oct 85]

BAHAMIAN PRIME MINISTER VISITS--Seoul, 4 Oct (YONHAP)--Lynden O. Pindling, prime minister of the Bahamas, Friday received an order of diplomatic service medal, the Kanghwa, from South Korean president Chon Tu-hwan. Chon presented him with the medal when Pindling paid a courtesy call on him at Chongwadae, the presidential mansion. Pindling arrived here Thursday for a four-day visit. [Text] [Seoul YONHAP in English 1035 GMT 4 Oct 85]

WRESTLING CHAMPIONSHIP IN HUNGARY--Seoul, 4 Oct (YONHAP)--A 12-member South Korean wrestling team left here Saturday to compete in the 1985 freestyle world amateur wrestling championships, scheduled for October 10-13 in Budapest, Hungary. The Korean wrestling delegation will be led by Chang Chang-sun, managing director of the Korea Amateur Wrestling Association. It will include three coaches and eight wrestlers. Among the Korean wrestlers will be Yi Chong-kun (62 kg), who won a bronze medal in the Los Angeles olumpics. [Text] [Seoul YONHAP in English 1131 GMT 4 Oct 85]

CSO: 4100/007

S. KOREA/FOREIGN TRADE

ROK GOVERNMENT TO INSPECT TRADE MARK GOODS QUALITY

SK010818 Seoul YONHAP in English 0809 GMT 1 Oct 85

[Text] Seoul, 1 Oct (YONHAP)--The South Korean government has to inspect the quality of domestically produced consumer goods that carry foreign trademarks, a trade and industry ministry official said Tuesday.

The state-run office of industrial advancement plans to set up an inspection system for comparing the quality of consumer goods produced in Korea under foreign brands with the quality of products manufactured under the same brands in the countries where the trademarks originated.

Through the inspection system, the government intends to curb the excessive inflow of foreign trademarks into Korea in recent years, the official said.

In the initial phase of the plan, scheduled to begin this year, four items--bathing soap, sports shirts, leather purses and blue jeans. The official will inspect and compare the quality of those items with those produced under the same brands in the countries where the brands originated.

Under existing Korean law, Korean firms can use foreign trademarks only if they induce technologies from the owners of those trademarks. Many Korean firms, however, attach foreign brands to their products without using foreign technologies in the manufacture of those products.

The illegal use of trademarks has been conspicuous since the inducement of foreign trademarks was placed under a reporting system, instead of an approval system, on 1 July, 1984, the official said.

CSO: 4100/007

S. KOREA/FOREIGN TRADE

ROK-CANADA MEETING ADOPTS 15-POINT JOINT COMMUNIQUE

SK050432 Seoul YONHAP in English 0315 GMT 5 Oct 85

[Text] Toronto, 4 Oct (YONHAP)---The Korea-Canada and Canada-Korea Business Council ended a three-day joint meeting October 4 in Vancouver after adopting a 15-point joint communique.

South Korea asked for a stable access of its motor vehicles to the Canadian market, while expressing grave concerns over Ottawa's recent movements to abolish general preferential tariff and reinforce anti-dumping practice against Korea, which Korea termed serious factors to impede the further promotion of trade ties between the two countries, the communique said.

In the meantime, Canada asked Korea to reduce import tariffs against Canadian agricultural and forestry products and hoped to take part in Korean transportation development projects, it said.

Canada also promised to do its utmost for technology transfer to Korea.

At the same time, the two sides have agreed to try their best to correct the ever-growing trade imbalance in Canada's disfavor and promote cooperation in the energy and natural resources development and [word indistinct] sector, according to the communique.

The Vancouver meeting, one fourth of its kind, was attended by a 38-member Korean delegation led by Ku Pyong-hoe, president of Honam Oil Refinery Co. and a 60-member Canadian delegation headed by Bruce Howe, president of British Columbia Resources Investment Corp.

CSO: 4100/007

S. KOREA/FOREIGN TRADE

GOVERNMENT PLANS TO ENHANCE ELECTRIC, ELECTRONIC INDUSTRY DEVELOPMENT

SK020150 Seoul YONHAP in English 0139 GMT 2 Oct 85

[Text] Seoul, 2 Oct (YONHAP)--The South Korean Government plans to enhance the development of the nation's electric and electronic industry, in an effort to boost the industry's share of Korea's total exports from 16.4 percent in 1984 to 20.5 percent by 1988.

The Trade and Industry Ministry and the Korea Electronic Industry Promotion Council, a private-sector organization, will work together to establish comprehensive measures by the end of this year to correct technological defects that have hindered the manufacture of high-tech products, including semiconductors, video tape recorders, computers and color TV sets, a ministry official said Wednesday.

Efforts to improve the quality of electric and electronic products and to diversify those products are essential if Korea is to survive the growing trend toward protectionism in advanced countries and the fierce market competition with less advanced developing countries, the official said.

Under the government's development plan, exports of semiconductor products will increase from U.S.\$1.2 billion in 1984 to \$4.7 billion in 1988. The government will encourage semiconductor manufacturers to invest 183.7 billion won (U.S.\$206.4 million; one dollar is worth about 890 won) in the expansion of their production facilities every year, to ensure a 38.8 percent annual growth rate in their exports.

Korean TV manufacturers will also be encouraged to make large capital investments in technology development and facility expansion projects, in order to attain a 9.3 percent annual growth rate in their exports. Exports of TV sets will rise from \$440 million in 1984 to \$633 million in 1988, the official said.

Reflecting Korea's overall sluggish export performance this year, exports of electronic products in the first 8 months totaled \$2.7 billion, up only 2.3 percent from the corresponding period of 1984.

CSO: 4100/005

N. KOREA/ECONOMY

DPRK'S SOUTH HAMGYONG PROVINCE DEVELOPS ECONOMY

SK082238 Pyongyang KCNA in English 1501 GMT 8 Oct 85

[Text] Pyongyang Oct 8 (KCNA)--Economy is making a rapid development in South Hamgyong Province.

The basis of the province's economy is industry, fisheries and agriculture.

In particular, the chemical, power, mining, machine-building and light industries have developed in the industrial domain.

The province accounts for nearly two-thirds of the nation's production of such chemical goods as vinalon, chemical fertilizer, carbide and dyestuffs.

In the province there are the February 8 Vinalon Complex of World Standard, the Hungnam Fertilizer Complex and other large-scale chemical factories and many minor chemical factories. They produce hundreds of kinds of chemical goods.

The machine-building industry of the province produces ordered equipment, machine tools, electric, mining, fishery, transport and farm machines, etc.

The Yongsong Machine Complex is a pride of Korea's engineering industry.

It builds a 6,000 ton press, 70 metre gantry planer, 8 metre turning lathe and other large-size machines, large ventilator, and other kinds of furnace equipment, oxygen converter equipment, large-size rolling machine, fire-proof production equipment, etc.

The building of a 10,000 ton press is now progressing at the final stage at the complex.

South Hamgyong Province abounds in magnesite, lead, zinc, graphite, iron sulphide, agalmatolite and coal and other underground natural resources.

In particular, lead and zinc are richly deposited in Komdok area. Magnesite deposits there are estimated at thousands of millions tons.

The Komdok General Mining Enterprise has a world-scale dressing plant and 15 million ton cutting faces. The complex now produces only in two days as much minerals as were produced in one whole year before the country's liberation.

The production of non-ferrous metals in Komdok area has increased over 210 times compared with that right after the ceasefire.

In Tanchon there is a smeltery treating mineral produced in this area.

The province has many centrally controlled light industry factories and local industry factories which produce hundreds of kinds of light industrial goods of good quality.

Seafood production in South Hamgyong Province accounts for 60 percent of the country's total output. The province with a coastal line extending hundreds of kilometres has a big or small fishery enterprise in every two kilometre section on an average. Besides, there are many shipyards and ship repair plants.

CSO: 4100/16

N. KOREA/ECONOMY

DPRK BUILDS NEW PRESS, MAKES NEW INNOVATIONS

SK192234 Pyongyang KCNA in English 1517 GMT 19 Oct 85

[Text] Pyongyang October 19 (KCNA)--The Yongsong Machine Complex, one of the leading machine building bases of Korea, has built a 10,000 ton press.

The 10,000 ton press has been built by the workers of the complex as a gift of labour to the 40th anniversary of the founding of the Workers' Party of Korea, upholding the task given by dear Comrade Kim Chong-il, while giving working-guidance to the complex on May 18, 1984.

The building of the 10,000 ton press was a course of constant technical innovation and new inventions in the true sense of the term.

The complex built a 6,000 ton press at the end of 1960s. At that time the building took four years, but it was not an easy undertaking to build a 10,000 ton press, incomparably larger and more difficult than that, in one year or so.

A collective technological innovation drive was vigorously waged at the complex.

As a result, over 830 technical innovation drives were advanced and introduced in the of the building of the press. This means the introduction of about 1.7 new technical proposals on a daily average.

This has saved over 158,900 man-days of labour, over 12,400 tons of steel, 2,721,500 kwh of electricity, etc. to give fabulous profits to the country.

These technical innovations helped to build in one year or so the 10,000 ton press which had been regarded to take 4-5 years.

The State Commission of Science and Technology recently registered as state inventions 45 proposals of great significance for the national economy including a new winching method of large and heavy weight materials, new plating method of large parts and processing of beam moulds, etc. and decided to award certificates of invention to 96 workers, technicians and administrative personnel who had participated in the technical innovation drive. Over 790 proposals were appraised as inventions and technical rationalization proposals.

The State Commission appraised the 10,000 ton press itself which was designed, built and completed in our own way as an invention.

CSO: 4100/017

N. KOREA/ECONOMY

BUILDING OF 10,000 TON PRESS COMPLETED

SK101005 Pyongyang KCNA in English 0938 GMT 10 Oct 85

[Text] Pyongyang Oct 10 (KCNA)--The building of a 10,000 ton press was finished and its trial operation successfully held on October 9.

This first 10,000 ton press in our country is a gift of labour presented by the workers of the Yongsong Machine-Building Complex with loyalty to the 40th anniversary of the founding of the Workers' Party of Korea.

This press with a rated capacity of 10,000 tons has a high forging capacity. The press operated by an automatic hydraulic control system can forge a steel ingot up to 200 tons of weight by figure control.

The building of this press which required the drawing of over 13,000 sheets of blueprints and diagrams of technical data and the processing of over 5,000 tons of steel materials to produce accessory parts and the solution of many scientific and technical problems, has been successfully carried out in a brief period of one year or so at the Yongsong Machine-Building Complex. This is a great miracle.

The 10,000 ton press is a proud creation of self-reliance. It has been built entirely on our own designing and with our own materials and equipment and our own technique and efforts.

The 10,000 ton press clearly shows a high level of our chuche-based industry which urgently needs 10,000 ton class press and is capable of building it by its own technique, machines and efforts.

The Central Committee of the Workers' Party of Korea and the Government of the Democratic People's Republic of Korea have sent a congratulatory letter to the workers, technicians and office employees, youth shock brigade members and three-revolution team members of the Ryongsong Machine-Building Complex and helpers who participated in the building of the 10,000 ton press.

A meeting was held on the spot on October 9 to convey the congratulatory letter and carry on a trial operation of the press.

N. KOREA/ECONOMY

DOMESTICALLY-MANUFACTURED 10,000-TON PRESS SPECIFIED

Pyongyang PYONGYANG TIMES in English 12 Oct 85 p 4

[Text] The manufacture of 10,000-ton press was completed and its successful trial operation conducted on October 9.

The 10,000-ton press was produced for the first time in Korea. It is a gift of loyalty

presented by the workers of the Ryongsong Machine Complex on the occasion of the 40th anniversary of the founding of the Workers' Party of Korea.

The press consists of its body, auxiliary equipment and 70,000 spare parts of over 3,000 kinds requiring upwards of 80 heavy waggons in transport.

It is nearly 25 metres high and its pillar is almost two metres in diameter. A bolt alone is more than two tons in weight.

It is operated on a hydraulic automatic control system and can forge steel ingot to the extent of 200 tons.

The manufacture of the press required more than 13,000 sheets of blueprints and technical process diagrams, the processing of over 5,000 tons of iron and steel needed for the manufacture of accessory parts and the solution of a large number of scientific and technological problems.

But the workers of the Ryongsong Machine Complex produced it in a little over a year.

This press is a proud creation of self-reliance. It was manufactured entirely by our own designing, raw materials, equipment and technology and on our own strength.

The workers and technicians of Ryongsong did a huge volume of designing work on their own in only 4 months and put out this new-type press of Korean style which is suited to the actual conditions of our industry and

whose scientific exactitude and precision are ensured on a very high level.

They solved all difficult problems by themselves. In this course they put forward over 40 inventions and 830 technical innovation proposals which would be greatly conducive to the scientific and technological development and which were of weighty significance in the development of the national economy and made great innovations in putting them into practice.

This is a proud success which has greater significance than the manufacture of a 10,000-ton press.

The press is a monumental creation based on the courage and revolutionary boldness fostered by our Party and the unshakable determination of our workers to carry out the

decisions and instructions of the Party without any reservation. At the same time, it is a significant product born of the powerful independent national economy built in our country.

Its manufacture is a great and auspicious event which should be recorded in the history of our engineering industry and socialist construction.

CSO: 4100/020

N. KOREA/ECONOMY

OXYGEN SEPARATING PLANT COMMISSIONED IN DPRK

SK110507 Pyongyang KCNA in English 0448 GMT 11 Oct 85

[Text] Pyongyang Oct 10 (KCNA)--A giant oxygen separating plant, built for the first time by the Nakwon Machine Complex has been installed and commissioned at the Chollima Steel Complex (former Kangson Steel Complex) on the eve of the significant 40th anniversary of the founding of the Workers' Party of Korea.

This plant consists of air compressing, oxygen separating and oxygen transport systems and all its operation and management are automated.

With the commissioning of the plant the Chollima Steel Complex will increase the production of steel, while saving a large amount of fuel and electricity in the production of steel.

The commissioning of the plant has opened up a bright prospect for the further consolidation of the independent national economy by developing the economy of our country as a whole including the metal and chemical industries and construction.

The commissioning of the plant is a noteworthy event in the proud history of the chuche-based industry built by our party.

The heroic working class boundlessly loyal to the party and the leader succeeded in building and installing on our own designing and with our own technique and efforts the giant oxygen separating plant which can be called a synthesis of modern science and technology.

This success registered in our country in the revolutionary spirit of self-reliance proves the wise leadership of our party and fully demonstrates the heroic mettle of the Korean working class and the might of the chuche-based industry which can make anything if the party desires.

A commissioning ceremony was held on October 9 at the Chollima Steel Complex.

CSO: 4100/16

N. KOREA/ECONOMY

KCNA NOTES EXPORTS OF MAGNESIA CLINKER OF DPRK

SK180012 Pyongyang KCNA in English 1502 GMT 17 Oct 85

[Text] Pyongyang October 17 (KCNA)--Korea is widely known to the world as an exporter of magnesite clinker.

According to Kim Chong-hun, director of the Korean magnesite clinker import and export corporation, Korea set herself it as a goal to substantially increase the export of magnesite clinker in the near future to come.

Korea has inexhaustible magnesite reserves, main raw material or magnesite clinker, and is among the world's leading countries in the quality of magnesite and the estimated amount of its deposits.

Magnesite is deposited in various places. Its typical fields are Tanchon City of South Hamgyong Province, Paekam County of Yanggang Province and Kim Chaek City of North Hamgyong Province.

The deposits in Tanchon District alone are estimated at thousands of millions of tons. Situated there is the Yongyang mine which was developed in the early 1940s.

The great leader President Kim Il-song visited the mine on April 5, 1961, and instructed that it should be built up to be a large-scale mine, saying that Stone Mountain there is a "gold mountain" and a "money mountain."

Today the mine has been turned into a large magnesite production base.

A leading magnesite mine has been under development in the Taehung District in recent years.

The district is known as a most promising place as it has inexhaustible deposits of magnesite ore of good quality.

With the opening to traffic of electrified railway in this district some time ago, a favorable condition has been provided to increase magnesite reserves production.

Korea-made-magnesite clinker not only meets home demands but also is exported to different countries of the world.

CSO: 4100/017

N. KOREA/ECONOMY

BRIEFS

KCNA ON DRIVE TO INCREASE RAILWAY TRANSPORT--Pyongyang Oct 7 (KCNA)--The Railway Transport Workers of Korea are vigorously waging a drive for increased transport. According to data available at the Ministry of Railways, 6,015,000 more tons of freight was transported than the traction capacity in the third quarter year. The Pyongyang Railway Administration carried over 547,000 more tons of load in September and the Sariwon Railway Administration finished the third quarter year transport plan at 125.5 percent. The Nampo Locomotive Corps is carrying out its daily plans at 150 percent on an average these days. The Chongjin Railway Administration increased the volume of concentrated transport more than 430,000 tons in the last three months as against the corresponding period of last year. Increased transport included over 103,000 tons of coal and over 246,000 tons of iron ore. [Text] [Pyongyang KCNA in English 0958 GMT 7 Oct 85 SK]

CSO: 4100/16

N. KOREA / FOREIGN RELATIONS

YANBIAN BECKONS FOREIGN VISITORS

Hong Kong JINGJI DAobao [ECONOMIC REPORTER] in Chinese No 37, 16 Sep 85
pp 22-23

[Article by Zhang Kunyi [1728 0981 0308]: "Yanbian Welcomes Foreign Investment"]

[Text] We set off from Antu County early in the morning, lunched at Mingyue Township, and then continued our journey. After a long trip lasting more than 6 hours, we arrived at Yanji, Yanbian Chaoxian Autonomous Prefecture's famous capital.

The Warm and Friendly Nature of the Chaoxian People

On the way to Yanji, Director Zhang Mingyou [1728 2494 0645] of the Foreign Affairs Office of Jilin Province, who was accompanying us, briefed us on the customs of the Chaoxian nationality. He said that one must take off one's shoes when one enters a house in the prefecture. Women's rooms are strictly off limits and not to be trespassed casually. When your host proposes a toast, you should not hold your glass higher than the host's and must empty your glass in one gulp. When you greet somebody, you should bow as well as shake hands with him, and when bidding farewell, you wave both hands. Only such behavior is considered polite and thoughtful. He also told us that members of the Chaoxian nationality, young and old, love dancing. If your host invites you to dance with him, you must oblige even if you are not familiar with the dance. Otherwise he will be offended.

Roads in Yanji are all made of asphalt and quite wide. The buildings, though not tall, are very neat. Most striking are the roadside slogans, movie advertisements and certain signboards, all bilingual in the Han and Chaoxian languages. By and large, people wear Han clothing, but now and then you do see women in Chaoxian attire. Occasionally you also see women, most of them elderly, carrying articles on their heads as they walk by.

That very evening, the prefecture chief briefed us on the situation in Yanbian and threw a banquet for us. The chief, deputy chief and other relevant departmental heads from the governments of the prefecture and Yanji toasted us repeatedly and warmly offered us the kind of dishes reserved for guests of honor. The deputy prefectural chief, who sat next to me, told me that since

the bear is a form of wildlife protected by the state, hunting it is normally prohibited. To welcome us, however, they caught a bear a couple of days earlier, removed its paws and had them refrigerated until two days ago when they started preparing them: this dish takes 40 hours cooking time. Supposedly one eats mainly the front part of a bear's paw, and the right paw is said to taste better than the left. At the banquet that evening, we were lucky enough to try such rare delicacies as Dalian prawn, flying dragon (also known as hazel grouse), Songrong mushroom and Wei vegetable, in addition to the bear paw and fish.

The Chaoxian nationality is a warm, hospitable, courteous and cleanliness-minded people with a flair for music and dancing. Wherever we went, we were greeted by women smartly garbed in long, beautiful Chaoxian dresses who received us warmly. They had make-up on their faces and wore shoes with 2 or 3-inch heels.

The next afternoon, we went to Taixing Village in Dongcheng Township, Huolong County. As our car neared the village entrance, the sound of gongs and drums filled the air. It turned out that a group of elderly Chaoxian people were dancing in the tree shade to welcome us. Just as I was watching with fascination the graceful step of some of the elders, an old lady suddenly came up to me and invited me to dance with her. I have never had the slightest talent for art, so I have never liked dancing. Nor am I good at it. But recalling Director Zhang's words, I had no choice but to make a fool of myself and dance.

Taixing Village consists of eight natural villages and has a population of 1,487, of which 92 percent belong to the Chaoxian nationality. The village head told us that in 1978, the best year before the responsibility system was adopted, per-capita income in the village was 235 yuan. In contrast, per-capita income rose to 613 yuan last year when the responsibility system was already in effect, a 160-percent increase over 1978.

As we entered the village, all that came into view was newly built brick-and-tile one-story houses. According to the villagers, their houses were mostly made of mud and wood in the pre-economic reform days when there were only 23 brick-and-tile houses in the entire village. Today, it is a different story altogether. Last year alone the number of brick-and-tile buildings increased to 120, and 59 additional peasant households will move into new housing this fall. The village plans to house everybody in a brick-and-tile structure by 1990.

There are marked differences between the houses of the Chaoxian people and those of the Han people. The former are all one-story affairs attached in groups of two or three so that the kitchen, living room and bedroom are all connected. The platform is made of a combination of bricks and a thick, attractive kind of plank. Inside are three large cooking stoves in the platform. The smoke from the stoves is channelled out of the house through stovepipes. This design, which makes for good insulation and is non-polluting, should be used as a reference. There were no tables, chairs or beds in the house but I did see a large lacquer cabinet. The house was kept spotlessly clean. We saw three large cauldrons which were so well polished

that they sparkled. The water vat at one corner was tightly covered with a lid and there was not a single drop of water on the floor. Everything in the cabinet --bedding, clothes and assorted articles--was laid out neatly. I found that Chaoxian people like to use basins as containers. In several households I spotted a couple of enamel washbasins covered with identical covers atop the cabinet. They were so well scrubbed that they looked brand new.

The City Of Tumen at the Chinese-Korean Border

An hour before we left Yanbian, we went to Tumen on the northern bank of the Tumen Jiang in eastern Jilin Province. Facing it across the river is Wencheng Prefecture in the Democratic People's Republic of Korea.

Our tourist bus drove through the quiet, beautiful urban area and headed straight for Tumen Jiang Bridge at the Chinese-Korean border. Mayor Han Changzhen [7281 2490 6966] was already waiting for us beside the sentry post at one end of the bridge.

Led by Mayor Han, we stepped onto Tumen Jiang Bridge, a highway bridge made of reinforced steel and cement and about 4 to 5 meters wide. The middle of the bridge marks the Chinese-Korean border. The street lamps on both sides of the border are distinctly different. Standing at the middle of the bridge, I could not see anything at the Korean side, no fortification, no border patrol. The only object that came into view was a friendship train racing ahead on a railroad bridge connecting the two countries in the distance.

Mayor Han informed us that Tumen occupies 5,489 sq km and has a population of over 90,000 representing six nationalities, including Chaoxian, Han, Hui and Man. The Chaoxian nationality accounts for 59 percent of the population. He said that Tumen has a short history; before 1932, it was inhabited by a little over 100 households. From 1932 through 1935, in the wake of railroad construction, Tumen became a transfer station linking the northeast and Korea, and slowly developed thereafter.

In the 30-plus years since the People's Republic of China was established, Tumen's economy and education have developed rapidly. Today it has in place an industrial system dominated by paper making, chemical industries, instrument and meter making, plastics, building materials and food processing, and turns out an endless stream of new products. Most of the city's 151 enterprises are well established. A basic commercial network has sprung up involving 146 commercial concerns.

A communications hub and one of China's eight inland ports, Tumen is highly accessible. It is also the only port city in Jilin connected to the outside world by rail and highways. It maintains frequent official and civilian contacts with Korea, contacts which are becoming increasingly extensive and involving an ever rising number of people each year. Last January through June alone, for instance, over 50,000 people passed through its port.

On 1 August, the night before our departure, I saw several uniformed Korean military officials attending a banquet at Yanji Guesthouse hosted by the deputy chief of the prefecture. Reportedly they were inspection personnel from the Korean border who made a special trip to Yanbian to help celebrate China's Army Day.

Mayor Han informed us that as the open door policy has gradually taken shape in recent years, Tumen has also attracted the interest of a large number of foreign friends. Moreover, Tumen has extensive overseas and social connections, most of whom have revived their contacts with relatives and other social personages in Tumen. Sentimental about their native land, they have indicated a desire to invest in Tumen and set up businesses there. At present some contracts have been concluded while others are still under negotiation. Among the former is one contract which involves the purchase by a Hong Kong investor of 150 taxis. Investors from countries like Japan and Australia have also made some initial contacts regarding a number of projects. Mayor Han added that Tumen plans to develop its electronics industry in cooperation with Hong Kong interests. Other plans call for the construction of guesthouses in conjunction with foreign investors and the purchase of helicopters to develop tourism in the Tumen-Changbaishan-Jingbohu triangle.

An overwhelming majority of Tumen's residents are of the Chaoxian nationality, most of whom have relatives on the Korean side of the border. So visits across the border are commonplace and formalities are also simple and convenient.

As I stood at the end of the bridge and watched people cross the bridge happily on their way to visit their relatives, loaded with bags large and small or pushing wheelbarrows overflowing with luggage, I felt a joy deep in my heart: the people of Yanbian are becoming prosperous.

Preferential Treatment for Investors from Hong Kong, Macao and Overseas

At the briefing, Wang Zailin [3769 6528 2651], the head of the prefecture, explained to us Yanbian's economic situation. He said, "Transportation, posts and telecommunications in the autonomous prefecture have also made rapid progress. At present it is crisscrossed by a railway and highway network. The total length of our mail route exceeds 10,000 km. In addition, there will soon be a modern communications center making possible communications with other parts of the country and a number of major cities in the world. Right now there are direct flights from Yanji to Shenyang, where one can make connecting flights to Beijing, Shanghai and Guangzhou, arriving at these cities the same day."

We could tell by his speech that the prefectural chief, who is a little over 50, is committed to and has confidence in the open door policy. He said time and again that the area must develop economic and technical cooperation with foreign nations, Hong Kong and Macao on the basis of equality and mutual benefit and import technology and equipment through such mechanisms as joint ventures, cooperative production, compensatory trade and leasing. According to him, the current development focus is lumber, energy, food, medicine and

drugs, petrochemicals, building materials, hemp spinning, and tourism. He expressed the hope that friends from economic, financial and trade circles in Hong Kong, Macao and around the world will go to Yanbian to negotiate business deals, develop resources, set up plants, open up economic and technical cooperation, conduct scientific and technical exchanges and as tourists for sightseeing. He emphasized that in matters relating to external economic and technical cooperation, the autonomous prefecture enjoys the same degree of examination-and-approval power as a class 1 province.

A good investment climate and preferential treatment will be provided for Hong Kong and Macao compatriots and foreign merchants who invest in the region:

--As soon as they are approved for registration, joint ventures, cooperative enterprises and wholly-owned enterprises financed by Hong Kong and Macao compatriots and foreign businessmen will have the status of a legal person. All parties in a joint venture will be equal before Chinese law and will be protected and subject to Chinese law. They will be autonomous in personnel matters, the disposal of property, supply, production and marketing.

--Joint ventures and cooperative enterprises will be accorded priority in the supply of coal, oil, electricity, gas and water which they need. They will also enjoy preference in transportation availability, the installation and use of communication equipment and the distribution and supply of raw materials. Banks will give their loan applications special consideration while the prefecture's capital construction plan will specially cater to their needs.

--An equitable price system will be adopted with regard to joint ventures using Chinese and foreign capital, cooperative enterprises, and wholly-owned foreign enterprises.

--Joint ventures, cooperative enterprises, and wholly-owned foreign enterprises will be charged a special preferential land use fee.

--To make things easy for personnel who work for joint ventures, cooperative enterprises, and wholly-owned foreign enterprises, entry and exit formalities will be simplified for them. They will also be given better living and leisure conditions and enjoy preference when it comes to sightseeing and vacationing.

The prefectural chief urged us again and again to publicize the situation in Yanbian in every way after we returned to Hong Kong so that Hong Kong and Macao compatriots and overseas investors could get to know it. Time being so short, however, we did not have the opportunity to gain a detailed knowledge of some aspects, and what we do know tends to be sketchy. To obtain the whole picture, the best way is to visit Yanbian in person.

12581

CSO: 4006/38

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N. KOREA/FOREIGN RELATIONS

BRIEFS

PREMIER MEETS PRC GROUP--Pyongyang, 5 Oct (KCNA)--Kim Chang-chu, vice-premier and chairman of the agricultural commission, on 4 October met and had a conversation in a friendly atmosphere with the mountain area construction delegation of China headed by Yang Jue, vice-director of the Agricultural Development Research Center of the State Council of China. Present there were Yi Hak-chol, vice-chairman of the agricultural commission, and Zeng Qingchao, councillor of the Chinese embassy in Pyongyang. [Text] [Pyongyang KCNA in English 0549 GMT 5 Oct 85]

CSO: 4100/010

END